



California's
Strategic Two-Year Plan
For Title I of the
Workforce Investment Act of 1998
and the
Wagner-Peyser Act

For the Period of
July 1, 2005 – June 30, 2007

California Workforce Investment Board

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Plan Development Process

Describe, in one page or less, the process for developing the State Plan.

1. *Include (a) a discussion of the involvement of the Governor and the State Board in the development of the plan, and (b) a description of the manner in which the State Board collaborated with economic development, education, the business community and other interested parties in the development of the State Plan. (§112(b)(1).)*
2. *Include a description of how the State handled public comments. ((§§111(g) and 112(b)(9).)*

The California Workforce Investment Board (State Board)¹ conducted a full public meeting on February 17, 2005, at which it instituted a new committee structure, as well as a strategy for using the new committees to develop California's Strategic Two-Year Plan (State Plan) and have it ready for submission to the U.S. Department of Labor on May 31, 2005. The new committees include one standing committee and three special committees. The Administration Committee assumed the responsibility of overseeing the plan development process and ensuring that the compliance oriented elements of the State Plan were written by staff in a timely fashion. The special committees discussed the main strategic elements of the State Plan, such as the Governor's vision for California's workforce system, during March 2005, through public meetings and the use of a public workspace on the State Board's website.

State Board staff also formed a working group of staff from local One-Stop systems and mandatory State partner organizations to discuss certain One-Stop system related elements of the plan. State Board, Employment Development Department, and Labor and Workforce Development Agency staff also conducted a meeting with the California Workforce Association and a variety of Local Workforce Investment Area representatives in order to gather information and identify issues from the local partners regarding planning questions and elements which are of concern to them. Finally, both State and local economic development and business organizations, such as the State Chamber of Commerce, the Governor's Economic Strategy Panel, the California Center for Regional Leadership, and the Business Roundtable were contacted and invited to participate in the special committee meetings and to comment on the plan once it was released for public viewing.

These various meetings and contacts were critical not only for developing the strategic elements of the plan, but for identifying issues and challenges that California will face in moving towards a demand-driven workforce architecture. One such challenge is the State's increased use of the flexibility provisions in the Workforce Investment Act. Many suggestions for potential waiver requests were offered during the planning process. These suggested waivers are going to be a priority focus of State Board discussion following the completion of the two-year planning process. Other issues and challenges that came out of these various discussions were also documented and forwarded to the State Board for action.

The State Plan was published over the website in draft form, for public comment, on April 1, 2005. The State Board also conducted a public forum on April 12, 2005, at which it

¹ See Attachment B for a glossary of acronyms and abbreviations.

focused on the strategic elements of the plan that were developed by the State Board special committees. Comments and suggestions received through both the website and the public forum were incorporated, as appropriate, into the plan during the month of April. A final draft of the State Plan was released on May 2, 2005, and the State Board approved the draft at its May 12 meeting.

State Plan Content

- I. Describe the Governor's vision for a statewide workforce investment system. Provide a summary articulating the Governor's vision for utilizing the resources of the public workforce system in support of the State's economic development that address the issues and questions below. States are encouraged to attach more detailed documents to expand upon any aspect of the summary response if available. (§112(a) and (b)(4)(A-C).)**
- A. What are the State's economic development goals for attracting, retaining and growing business and industry within the State? (§112(a) and (b)(4)(A-C).)*
 - B. Given that a skilled workforce is a key to the economic success of every business, what is the Governor's vision for maximizing and leveraging the broad array of Federal and State resources available for workforce investment flowing through the State's cabinet agencies and/or education agencies in order to ensure a skilled workforce for the State's business and industry? (§112(a) and (b)(4)(A-C).)*
 - C. Given the continuously changing skill needs that business and industry have as a result of innovation and new technology, what is the Governor's vision for ensuring a continuum of education and training opportunities that support a skilled workforce? (§112(a) and (b)(4)(A-C).)*
 - D. What is the Governor's vision for bringing together the key players in workforce development including business and industry, economic development, education, and the public workforce system to continuously identify the workforce challenges facing the State and to develop innovative strategies and solutions that effectively leverage resources to address those challenges? (§112(b)(10).)*
 - E. What is the Governor's vision for ensuring that every youth has the opportunity for developing and achieving career goals through education and workforce training, including the youth most in need, such as out of school youth, homeless youth, youth in foster care, youth aging out of foster care, youth offenders, children of incarcerated parents, migrant and seasonal farmworker youth, and other youth at risk? (§112(b)(18)(A).)*

In the fall of 2003, Governor Arnold Schwarzenegger was elected by the citizens of California, in a historic recall election, to bring vast and sweeping changes to the ways in which government operates in California. Vowing that his administration would not be "business as usual," the Governor immediately launched efforts to improve the State's business climate and strengthen and support its global economy.

California's entrepreneurial, innovation-based businesses require a world-class workforce in order to grow and thrive. In recognition of this, the Governor's vision is that the State's broad system of public workforce programs prepare future and current workers for the new economy in order to create stable, reliable, higher-wage jobs that will assist in improving the quality of life for all Californians and their communities. In order to achieve this, California's statewide, locally-based workforce investment system must be able to continuously prepare the State's available and future workers for careers in the industries and sectors that are most vital to the State's economic health and growth.

This can only be done if the business-led California Workforce Investment Board (State Board) and Local Workforce Investment Boards (Local Board) continuously improve at:

- Understanding and meeting the workforce needs of business and industry, and taking full advantage of federal flexibility and waiver provisions;
- Targeting resources where the most economic impact can be gained;
- Collaborating to improve California's educational system at all levels in order to equip youth and lifelong learners with the skills they need to be successful in the workplace; and
- Maximizing the accountability of public and private resources invested in workforce development.

Understanding and Meeting the Workforce Needs of Business and Industry in Order to Prepare Workers for 21st Century Jobs:

Meeting the workforce needs of business and industry and improving California's business climate are the Governor's two primary goals for attracting, growing, and retaining business. California's robust, global economy, which is based on innovation and entrepreneurship, requires a transitional workforce that is continuously prepared with the skills and education necessary to support new and ever-advancing industries, occupations, and careers. In order to prepare available and future workers with the aptitudes and skills that business and industry require, the workforce and education systems must develop stronger partnerships and more effective communication with business and industry.

California's workforce investment system and the partnerships that comprise it are based in and directed by local and regional communities. Developing and supporting strong, business-led Local Boards that interact with and serve their economies both locally and regionally can ensure that California's workforce investment system will remain relevant by:

- Becoming increasingly demand driven;
- Eliminating duplicative administrative costs and services;
- Enhancing service integration through local One-Stop Career Center systems;
- Targeting youth program investments to those most in need;
- Continuing to improve workforce information systems;
- Partnering effectively with faith-based and community-based organizations;
- Taking full advantage of federal waiver flexibility; and
- Improving and simplifying performance accountability across programs.

Targeting Limited Resources to Areas Where They Can Have the Greatest Economic Impact:

The Governor introduced new priorities for the investment of statewide workforce resources in order to:

1. Attract more innovative employers with high-skill jobs at good wages to California;
2. Expand the number of workers able to realize the American dream of success; and
3. Strengthen the statewide workforce system to eliminate worker shortages in occupations that are critical throughout California.

The three priorities to which the Governor currently wants all Workforce Investment Act (WIA) discretionary training dollars targeted to are:

1. High-wage, high-growth jobs;
2. Advancing workers with barriers to employment; and
3. Industries and sectors experiencing statewide shortages of workers.

These targeted investments will support high-skilled, high-growth industries such as Biotech that are creating new, high-wage jobs. The second priority targets resources to serve California's emerging and available workers, such as persons with disabilities or language barriers, who have significant barriers to employment and career advancement. The third priority targets industries that have a statewide impact, that are vital to the State's economic and societal stability, and are suffering significant shortages of workers in occupations such as nursing.

These are currently the three areas for which the targeting of resources will produce the most positive economic impact. The State Board, in its partnership with other workforce, education, and economic development programs will continually track these investments in order to recommend shifts to new target areas as the economy and workforce transition and grow.

Collaborating to Improve California's Educational System At All Levels:

A flexible, outcomes-based education system is vital, at all of its levels from kindergarten through graduate studies, to providing both youth and adults with lifelong learning opportunities that are aligned with the needs of the new and changing economy. It is critical, for instance, that California improve core K-12 education to prepare future workers with the skills and information necessary for careers in the 21st Century economy. The Governor also believes that all of California's youth, particularly those most in need, must have opportunities for successful careers, so the State is pursuing initiatives to:

- Increase the number of high school graduates, particularly within groups that now have higher than average non-completion rates;
- Strengthen the career technical and vocational education components within K-12 education, high schools, and community colleges;

- Establish coordinated strategies for improvement that include K-12, community colleges, adult education, and the University of California and California State University systems; and
- Use labor market and economic information in new and innovative ways to guide curriculum reforms in education and training.

The Governor and the State Board are partnering more closely with education in order to influence and achieve these outcomes. The blending of the workforce and education systems is critical to sustaining and advancing California's economy and quality of life. The Governor's goal is to achieve a true continuum of education and training to support a workforce that can make the necessary transitions among occupations, industries, and careers through lifelong learning and skill advancement as the State's economy evolves.

Ensuring the Accountability of Public and Private Workforce Investments:

One of the Governor's first actions upon entering office was to order a top-to-bottom review of State government. In order to make state government more effective and efficient, seven principles were established for building partnership, providing better service, and eliminating waste. State and local governments must:

- Act as partners,
- Communicate effectively,
- Have predictable funding,
- Be performance-based and accountable,
- Have clear roles and responsibilities,
- Be streamlined,
- Be flexible and innovative, and
- Change for the future.

As part of this effort, the Governor has directed the departments and agencies within his administration to significantly improve State government performance. Optimizing coordination and communication, and strategically sharing and investing resources are key initiatives in making California's public service infrastructure as effective and efficient as it can be. This is particularly true in eliminating duplication of services and achieving administrative efficiencies at both the State and local levels. Savings can then be directed towards improved public services such as workforce training.

As an example, the Governor is working actively with many State agencies to address economic development and workforce challenges across public systems. Among these governmental entities are the State Board; the California Department of Education (CDE); the University of California system; the California State University system; the California Community Colleges Chancellors Office (CCCCO); the Labor and Workforce Development Agency (LWDA); the Business, Transportation, and Housing Agency (BTHA); the California Health and Human Services Agency; the Employment Training Panel (ETP); the California Economic Strategy Panel; and the Governor's Commission on Jobs and the Economy.

These entities and others are coordinating and planning strategically to identify the economic, education, and workforce challenges facing California and to develop solutions to address those challenges. An important direction is to more effectively coordinate and administer public funding for the programs and services these governmental organizations provide, as well as for the populations and businesses they serve. As one result of this, the LWDA and the BTHA have formed a new partnership to better coordinate the strategic business development, workforce investments, and services of their respective agencies. The LWDA and the State Board will continue to strengthen their partnership with Local Boards, local One-Stop Operators, and local partner programs in identifying administrative efficiencies and governmental cost savings in order to maximize investment of available funds in training services in areas that currently have the most economic impact.

The Governor is also expanding State and local intergovernmental efforts to improve public/private partnerships in an effort to better coordinate public- and private-sector investments and resources. The private sector invests significant resources, both through businesses and foundations, in recruiting and training new employees, as well as in training existing employees for new and more demanding jobs. The public sector can more effectively leverage and employ private sector investments in the public workforce system if it can demonstrate strategic investments of its own, such as California's ETP funding. New accountability and administrative efficiencies, that result in expanded and improved services to both the citizens and the businesses of California, will also improve the public sector's ability to leverage private-sector commitments and resources.

II. Identify the Governor's key workforce investment priorities for the State's public workforce system and how each will lead to actualizing the Governor's vision for workforce and economic development. (§§111(d)(2) and 112 (a).)

The Governor's key priorities for California's public workforce system are:

- Understanding and Meeting the Workforce Needs of Business and Industry in order to Prepare Workers for 21st Century Jobs –
 - ✓ Increase State and local partnerships and linkages between the education, workforce, and economic development systems;
 - ✓ Improve the shared accountability of publicly funded programs;
 - ✓ Develop stronger partnerships with Local Boards;
 - ✓ Promote policies supporting management/labor partnerships in “high road” industry sector initiatives;
 - ✓ Provide policies supporting local business services; and
 - ✓ Take full advantage of federal flexibility and waiver provisions.
- Targeting Limited Resources To Areas Where They Can Have the Greatest Economic Impact –
 - ✓ Currently focus these investments on high-wage, high skilled, high-growth jobs; advancing workers with barriers to employment; and industries with statewide labor shortages; and

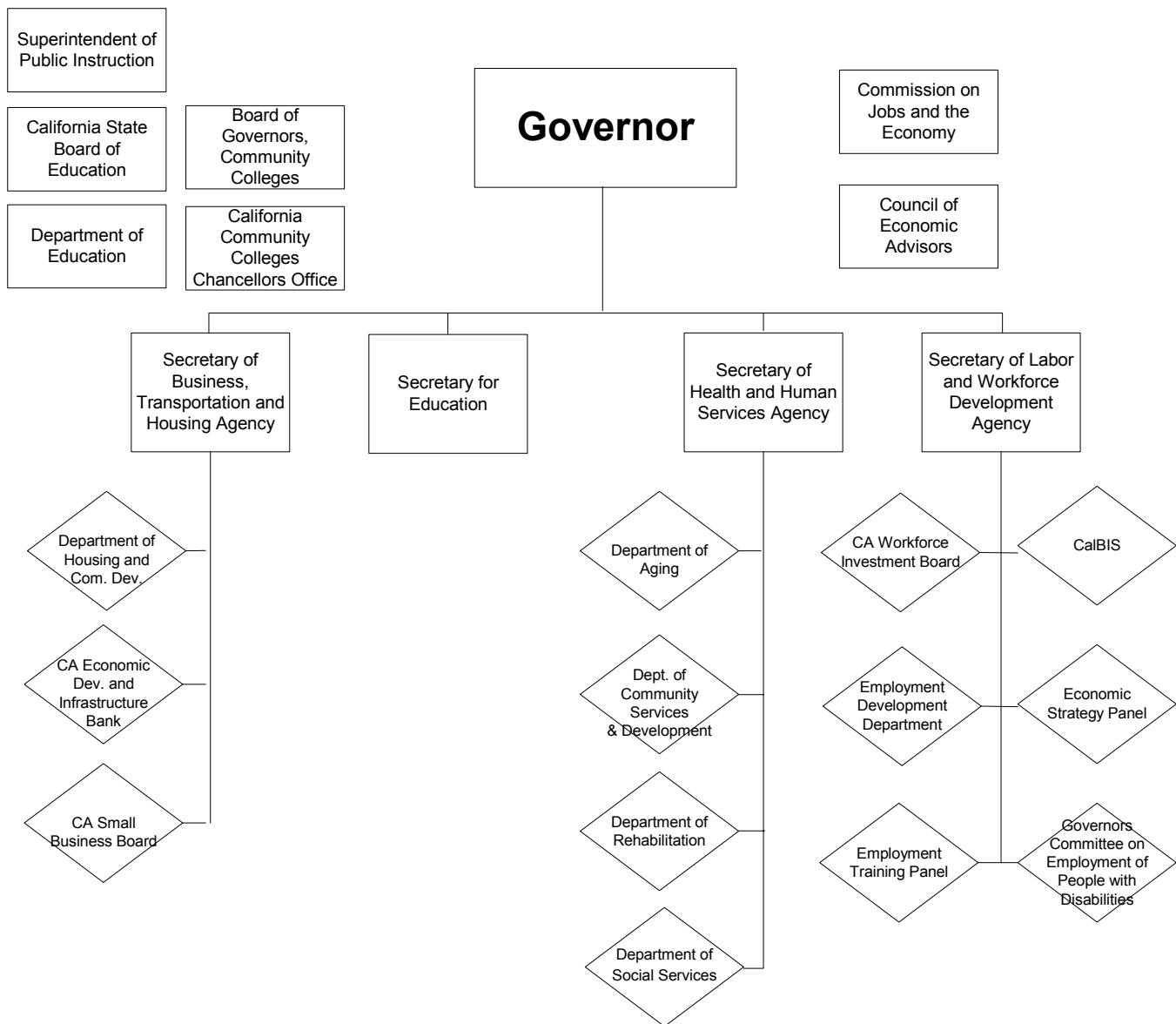
- ✓ Track the effectiveness of investments and recommend shifts to new target areas as circumstances warrant.
- Collaborating to Improve California's Educational System At All Levels –
 - ✓ Strengthen career technical and vocational education at all levels of education;
 - ✓ Increase the number of high school graduates;
 - ✓ Promote partnerships between the State and Local Boards and education; and
 - ✓ Align lifelong learning opportunities with the new economy.
- Ensuring the Accountability of Public and Private Workforce Investments –
 - ✓ Improve State and local government partnerships and coordination to maximize the use of public and private workforce resources in improving and expanding services such as workforce training;
 - ✓ Leverage federal and private sector commitments and resources; and
 - ✓ Maximize the effectiveness and efficiency of the workforce investment system.

These four key priorities for California's workforce system are addressed in the Governor's vision for the system in Section I. The Governor's vision also includes discussion about how achieving these priorities will implement the vision.

III. State Governance Structure (§112(b)(8)(A).)

A. Organization of State agencies in relation to the Governor:

1. *Provide an organizational chart that delineates the relationship to the Governor of the agencies involved in the public workforce investment system, including education and economic development and the required and optional One-Stop partner programs managed by each agency.*



2. *In a narrative describe how the agencies involved in the public workforce investment system interrelate on workforce and economic development issues and the respective lines of authority.*

The Governor appoints Secretaries for each of the four agencies identified in the chart above. The Governor also appoints department heads under each of those agencies. The Secretaries of the LWDA; the BTHA; Education; and Health and Human Services are members of the Governor's Cabinet and meet on a regular basis. The interrelationship of appointed officials at the cabinet level allows for and drives cross-communication of issues both formally and informally at all levels of State government .

All of the California agencies involved in the public workforce system are within the Governor's administration, with the exception of the CDE and the CCCCO. The

Superintendent of Public Instruction (Superintendent) is an elected statewide office-holder and the Chancellor of the Community Colleges (Chancellor) is elected by a Board of Governors. The Superintendent oversees workforce education programs such as Adult Education and Family Literacy, while the Chancellor oversees certain vocational, apprenticeship, and economic development funding that is used by community colleges to develop and provide curriculum. These officials are appointed members of the State Board and, while collaborating at the cabinet level in developing policy for California's workforce investment system, they also ensure partnership and cross-communication at the department and staff levels.

B. State Workforce Investment Board (§112(b)(1).)

Describe the organization and

- 1. Structure of the State Board. (§111).)*
- 2. Identify the organizations or entities represented on the State Board. If you are using an alternative entity which does not contain all the members required under section 111(b)(1), describe how each of the entities required under this section will be involved in planning and implementing the State's workforce investment system as envisioned in WIA. How is the alternative entity achieving the State's WIA goals? (§§111(a-c), 111(e), and 112(b)(1).)*

The State Board has two officers: the State Board Chair and State Board Vice-Chair. Both of these positions are appointed by and serve at the pleasure of the Governor. The Chair and Vice-Chair are members of the private sector. The Chair has the responsibility to call and preside at all State Board meetings and perform other duties as required. The Vice-Chair acts as the Chair in the Chair's absence and performs other duties as required.

The State Board currently accomplishes its work through a committee structure comprised of one standing committee, special committees, and ad hoc committees. Standing committees are constituted to perform continuing functions, are comprised of State Board members, and are permanent committees. Special committees are appointed by the State Board Chair to carry out specified tasks, can include non-member State and local partners and stakeholders, and are usually time-limited. Ad hoc Committees are informal workgroups comprised of State Board, partner, and stakeholder staff; are time-limited and task-oriented; and are formed to develop work products for the State Board. A brief description of the State Board's current standing and special committees follows:

Administration Committee: As a standing committee, it provides recommendations to the full State Board regarding special committee responsibilities and assignments; coordinates the work of special and ad hoc committees; develops agendas for State Board meetings; and, in instances where urgency and time constraints do not permit items to be acted upon by the full State Board, takes necessary actions and makes necessary commitments on behalf of the State Board, subject to ratification by the full State Board. The members of this committee are the Chair and Vice-Chair of the State Board, the special committee chairs, the Secretary of the LWDA, and the Executive Director of the State Board.

High-Wage/High-Growth Jobs Special Committee: This committee focuses its efforts on addressing key issues for workforce investment in areas that will result in a workforce ready, willing, and able to assume positions in sectors that are creating and maintaining high-wage, high-skill jobs.

Advancing Workers Special Committee: This committee identifies strategies for developing services to assist individuals such as at-risk youth, individuals with disabilities, dislocated workers, migrant and seasonal farmworkers, veterans, women, minorities, older workers, low-income workers, and public assistance recipients prepare for and gain employment, and advance to higher paying jobs.

Statewide Shortages Special Committee: This committee focuses on short and long-term efforts to build and sustain a diverse workforce within California. Specifically, the committee will focus on increasing job skill training for occupations where significant shortages exist, or where shortages are likely using documented labor market and economic development forecasts.

Attachment C provides a listing of the current membership and the organizations represented on the State Board.

3. *Describe the process your State used to identify your State Board members. How did you select board members, including business representatives, who have optimum policy-making authority and who represent diverse regions of the State as required under WIA? (20CFR 661.200).*

The members of the State Board are appointed by the Governor in conformity with WIA Section 111(b). The members represent the many facets of workforce development – business, labor, public education, higher education, economic development, youth activities, and employment and training, as well as the State Legislature. Two of the Legislative members are appointed by the Senate President Pro Tem and the Speaker of the Assembly appoints the other two Legislative members.

Nominations for business and labor representatives were solicited from California's major business and labor associations, such as the California Manufacturers and Technology Association, the California Chamber of Commerce, and the American Federation of Labor and Congress of Industrial Organizations. The associations nominated individuals to represent their constituencies and were advised that the Governor would take into consideration the individuals' policy making authority and other geographic and demographic information. Their expert knowledge and experience will ensure that the State Board takes a leadership role in recommending sound policies for California's workforce system. The State Board, through the LWDA, works closely with the Governor's Appointments Secretary to refill vacancies as they occur.

4. *Describe how the board's membership enables you to achieve your vision described above. (§§111(a-c) and 112(b)(1).)*

State Board representation complies with federal law, and is comprised of key workforce partners and stakeholders from both the public and private sectors in California. The business leadership on the State Board is integral to achieving a demand-driven workforce system that provides the strategic framework for workforce investment in California. These business leaders help the State Board and the system focus productively on the Governor's priorities for the system, such as identifying and serving industries with statewide labor shortages, as well as national priorities, such as a demand-driven system.

Public sector members represent key stakeholders in the system, including mandatory One-Stop partners and programs. They assist the State Board and the Governor in understanding the State and local administrative intricacies and complexities of coordinating such a diverse array of programs and services and serving such a diverse population of both citizens and industries. All State Board members, including those from the public sector, were recommended to the Governor for their individual leadership experience and abilities and because they represent the broad geographic, economic, political, and demographic diversity of the State. All members are leaders in their communities as well as in business and in government, and have vested themselves and their communities in continuously preparing California's workforce to support economic development and improve the quality of life for all Californians.

5. *Describe how the Board carries out its functions as required in sec. 111(d) and 20 CFR 661.205. Include functions the Board has assumed that are in addition to those required. Identify any functions required in sec. 111(d) the Board does not perform and explain why.*

The State Board is responsible for assisting the Governor in all functions outlined in WIA section 111(d). These functions are carried out through the State Board's standing and special committees, which are chaired by State Board members and, in the case of the special committees, include both Local Board representatives and key stakeholders. The committees publicly deliberate policy issues and direct staff work in order to effectively carry out the State Board's functions. The products and policies developed are then presented to the full State Board for action. Once the policies are adopted, the State Board works closely with the LWDA and the Employment Development Department (EDD) to implement policy and distribute products. An electronic information system is used to publish products and to inform the public and stakeholders of policy recommendations. Information is also communicated to an extensive list of State and local stakeholders and interested parties via EDD information bulletins and directives.

6. *How will the State Board ensure that the public (including people with disabilities) has access to board meetings and information regarding State Board activities, including membership and meeting minutes? (20 CFR 661.205)*

The State Board deliberates WIA policy issues at open public meetings in conformance with California's Bagley-Keene Open Meeting Act. This Act sets forth

the requirements for State agencies to conduct open meetings so that the public may remain informed.

The State Board utilizes its website at www.calwia.org to provide Board members and the public with direct access to information on a variety of workforce investment issues. The website, which is formatted to meet the needs of persons with disabilities, includes information on current State Board members, upcoming meetings and events, meeting notices, agenda packets, draft documents for public review and comment, special initiatives and projects, and other items of interest to the workforce community. A notification is sent electronically to list-serve subscribers informing them of upcoming meetings and meeting materials once they are posted on the website, and a hard copy notice is mailed to subscribers on the State Board's mailing list. Meeting minutes are also posted on the website once they are approved by the State Board.

In order to provide access to all people, including those with disabilities, the State Board provides the following accessibility in compliance with the Americans with Disabilities Act:

- Wheel chair accessibility is available at all State Board meetings;
- Upon notification, an interpreter for the hearing impaired can be provided at State Board meetings;
- TDD communication accessibility is available at all State Board meeting facilities; and
- Written materials used at State Board meetings are provided upon request in alternate formats such as Braille.

7. *Identify the circumstances which constitute a conflict of interest for any State or local workforce investment board member or the entity that s/he represents, and any matter that would provide a financial benefit to that member or his or her immediate family. (§§111(f), 112(b)(13), and 117(g).)*

Members of the State Board are subject to a comprehensive body of state law governing conflict of interest (Gov. Code 81000-91014). Pursuant to State and federal law, the State Board has adopted and promulgated a Conflict of Interest Code. State Board members, including designees, are required to file a statement of economic interests with the California Fair Political Practices Commission and provide a copy to the State Board staff organization. The statements of economic interests are governed by State law and indicate the specific kinds of financial information members of the State Board will have to disclose. State Board members are required to file their conflict of interest statements annually.

8. *What resources does the State provide the board to carry out its functions, i.e. staff, funding, etc.?*

The Governor's WIA 15 Percent Discretionary funds are used to carry out State Board activities. These funds provide for 22 State civil service staff and include operating expenses such as facilities, travel, and meeting preparation costs.

The staff organization plans, develops, and supports each State Board meeting, carries out recommendations as assigned from the State Board, and carries out action items following each State Board meeting. The Executive Director is an integral part of the State Board, contributing as a non-voting participant at State Board meetings and in Administrative Committee meetings. The Executive Director has a leadership role in the preparation and planning for each State Board meeting, and also assists the Chair in appointing special committee chairs and vice chairs.

The staff organization supports the various committees, including the ad hoc committees or workgroups, which are normally comprised of State Board members and staff as well as staff from local and State partners and stakeholders. These committees require consensus building discussions among program partners and form the basis for subsequent discussions and policy-related issues and resolutions that are forwarded to the State Board for consideration. The staff assigned to each of these committees is responsible for planning, organizing, and preparing for meetings. This includes researching issues and providing background material required by the members to engage in productive discussions of issues, and leading high-level policy discussions.

C. Structure/Process for State agencies and State Board to collaborate and communicate with each other and with the local workforce investment system (§112(b)(8)(A).)

- 1. Describe the steps the State will take to improve operational collaboration of the workforce investment activities and other related activities and programs outlined in section 112(b)(8)(A), at both the State and local level (e.g., joint activities, memoranda of understanding, planned mergers, coordinated policies, etc.). How will the State Board and agencies eliminate any existing State-level barriers to coordination? (§§111(d)(2) and 112(b)(8)(A).)*

The State Board, through its broad membership, encourages collaboration among both State and local public and private entities. This collaboration is further enhanced through the State Board's committee structure. Members of the State Board's committees include representatives from Local Workforce Investment Areas (Local Area) and/or Local Boards, business leaders, local and State partner entities, and key stakeholders that have a vested interest in workforce issues.

Using Governor's 15 Percent Discretionary funds, contracts are negotiated with key State partner agencies in the workforce system such as the CDE and the CCCCCO. These two joint agreements, for instance, engage the educational system, including the Adult Education and Family Literacy Program, as active participants in State and local WIA systems development, program operations, and service delivery.

Additionally, the State Board and the EDD, which serves as the State's administrative entity for both the WIA and Wagner-Peyser programs, are continuing to strengthen their operational collaboration. The State Board and the EDD both report to the LWDA, which is assisting in forging stronger partnerships among its various departments. This has resulted, among other things, in better coordination

among the entities regarding policy and administrative roles, responsibilities, and protocols.

2. *Describe the lines of communication established by the Governor to ensure open and effective sharing of information among the State agencies responsible for implementing the vision for the public workforce system; between the State agencies and the State Workforce Investment Board.*

Open lines of communication are established through the representation of cabinet-level agency Secretaries on the State Board, including the Secretary of the LWDA, who is the Governor's designated State Board representative. The LWDA also provides a liaison that works closely with both the State Board and the EDD on workforce policy issues. Weekly meetings are scheduled among these entities to identify and discuss issues of mutual interest. The State Board and the EDD's Workforce Investment Division (WID) managers and staff meet regularly to coordinate issues and activities, and work in teams with State and local partner staff to address both policy and administrative issues. Both also participate in various, ongoing communication vehicles such as monthly meetings of the Local Area Administrators Advisory Group. The two major State-level educational entities, the CDE represented by the Superintendent, and the CCCCO represented by the Chancellor, also have seats on the State Board.

The State Board recently restructured into one standing and three special committees. These committees include representatives from Local Areas and/or Local Boards, and key State and local partners, stakeholders, and business representatives who assist in the continuous improvement of California's workforce investment system.

3. *Describe the lines of communication and mechanisms established by the Governor to ensure timely and effective sharing of information between the State agencies/State Board and local workforce investment areas and local Boards. Include types of regularly issued guidance and how Federal guidance is disseminated to local Boards and One-Stop Career Centers. (§112(b)(1).)*

Policies adopted by the State Board are deliberated in open public forums. Once these policies are recommended to and adopted by the Governor, they are distributed to an extensive list of stakeholders and interested parties, including State partners and Local Boards, via an electronic e-mail system, in the form of directives and information bulletins. This e-mail system is maintained by the EDD. Federal guidance that is issued and affects local program operations is also distributed via this electronic e-mail system. All directives are posted on the EDD website in draft form, with a 30-day public comment period before they become final.

The EDD's WID also provides Regional Advisors who act as technical assistance liaisons with all 50 of California's Local Areas, as well as Project Managers who provide technical assistance to the variety of special projects funded through the Governor's 15 Percent Discretionary Funds. In addition, the WID maintains both a Capacity Building Unit (CBU) that develops and provides WIA and One-Stop related training that often includes training on federal guidance, and a Local Policy

Guidance Unit that develops guidance, including information bulletins and directives, on both State and federal policy. Finally, the EDD and the State Board maintain open lines of communication with Local Boards and Local Area Administrators through regularly scheduled meetings and conference calls.

4. *Describe any cross-cutting organizations or bodies at the State level designed to guide and inform an integrated vision for serving youth in the State within the context of workforce investment, social services, juvenile justice, and education. Describe the membership of such bodies and the functions and responsibilities in establishing priorities and services for youth? How is the State promoting a collaborative cross-agency approach for both policy development and service delivery at the local level for youth? (§112(b)(18)(A).)*

The State Board established a State Youth Council (SYC) to provide leadership for youth development through California's workforce system. The SYC advises the State Board on how to facilitate and model meaningful youth involvement and create system-wide solutions working in collaboration with youth, local youth councils and Local Boards, State and local agencies, educational institutions, workplace and business partners, and communities to improve WIA youth programs and local youth councils. The SYC also provides the State Board with guidance for improving the quality of life for all youth in California, and promotes coordination among the State's many youth programs to ensure that youth services are delivered successfully, including the alignment and leveraging of various local and regional resources.

The membership of the SYC includes State Board members, Local Board/local youth council members, local educators, youth development experts, youth services providers, business representatives, and individuals who work for and with foundation funding. The membership also includes youth and young adult representatives from the California Youth Connection (a foster youth organization), Friday Night Live (an after school program), the California Association of Student Councils, 4-H, and the Youth Leadership Forum for Students with Disabilities.

Other cross-cutting youth organizations with which the State Board and its SYC collaborate:

- *The California Department of Social Service's (CDSS) Interagency Child Welfare Team* focuses on maximizing funding for services that support children and families served by multiple government agencies; removing systemic and regulatory barriers; ensuring that policies, accountability systems, and planning are outcome-based; and sharing information and data. It supports a technical advisory group that explores interagency funding opportunities and fiscal strategies that can improve the provision of services and outcomes for children, youth, and families. The technical advisory group is comprised of representatives from the California Welfare Directors Association; county welfare departments; the Department of Mental Health; the Department of Alcohol and Drug Programs; the Department of Health Services; the CDE; the EDD; the State Board; and the Chief Probation Officers of California.

- *The Foster Youth Employment, Training, and Housing Task Force* is an interagency coalition responsible for developing collaborative strategies to promote the successful implementation of a joint CDSS, EDD, and State Board initiative to register foster youth at One-Stop Career Centers. The initiative includes three pilot projects that provide outreach and coordination of interagency resources, identify programs providing services to transitional foster youth, and identify promising practices. The WID's CBU, within EDD's Workforce Development Branch, also provided training for this initiative throughout the State.
- *The Youth Vision Interagency Team* was established in December 2004 to explore strategies for incorporating the new vision to serve out-of-school and at-risk youth as outlined in the DOL Training and Employment Guidance Letter (TEGL) No. 3-04. Currently the team is comprised of State representatives from the State Board, the EDD, the State Board of Corrections, the California Youth Authority, and the CDE. Representatives from the Job Corps and DOL also participate.

These youth taskforces and interagency teams, all of which have links to the State Board, are helping to reduce institutional, regulatory, and systemic barriers for youth most in need. The State will continue to cultivate youth interagency taskforces and teams to consolidate and translate their work and analysis into the State's workforce development systems. The State Board also recognizes that it is crucial for Local Boards to identify and leverage existing resources and services, and will work with Local Boards to promote more cross-agency collaboration with local public service agencies, non-profit organizations, and the local business communities. To meet the demands of the labor market, Local Boards, social services agencies, school districts, and community- and faith-based organizations must all join forces to create comprehensive and appropriate service strategies that will lead to tangible pathways towards higher education and high-skill employment for youth.

IV. Economic and Labor Market Analysis (§112(b)(4).): As a foundation for this strategic plan and to inform the strategic investments and strategies that flow from this plan, provide a detailed analysis of the State's economy, the labor pool, and the labor market context. Elements of the analysis should include the following:

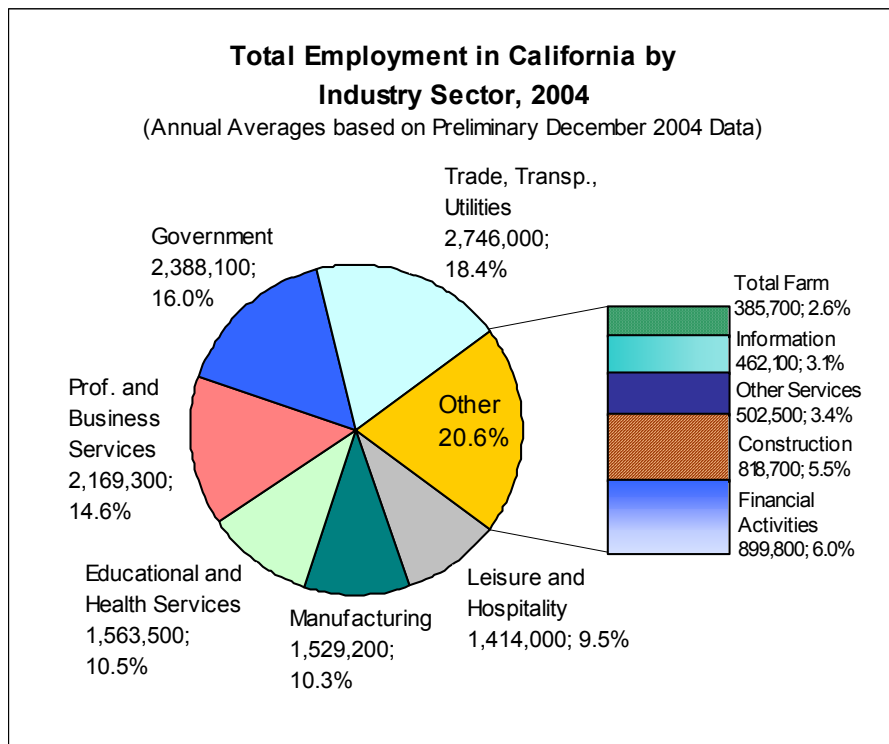
A. What is the current makeup of the State's economic base by industry?

Overview:

California has the largest labor market in the United States. Total employment in all California industries was 14,900,800 jobs in 2004.² Nonfarm employment payrolls totaled 14,515,100 jobs, accounting for 11 percent of all nonfarm jobs in the United States. There were 385,700 jobs in the farm sector, accounting for 2.6 percent of all California jobs. The following chart shows the industry sector breakdown for California's total employment in 2004. The trade, transportation, and utilities sector

² The analysis in this section incorporates preliminary December 2004 data and does not reflect 2004 benchmark revisions.

had the largest number of jobs (2,746,000 jobs), while the natural resources and mining sector had the fewest (21,800 jobs).



The following industry sectors had employment exceeding 2 million jobs in 2004: trade, transportation, and utilities; government; and professional and business services. These industries accounted for 49 percent of the State's jobs. Three additional sectors – educational and health services, manufacturing, and leisure and hospitality – had 1.4 million jobs or more, and accounted for 30 percent of all California jobs. Six industry sectors, each with employment of less than one million jobs, accounted for the remainder of California jobs.

Basic Industries:

The California Regional Economies Project (CREP) and the Center for the Continuing Study of the California Economy distinguish between economic base industries and population-serving industries.³ Population-serving industries primarily serve local markets in the State, and include industries such as retail trade, health care, food services, State and local government, construction, and finance. Population growth typically drives job growth in these industries. In contrast, economic base industries typically serve external markets. As a result, firms in basic industries have more flexibility in deciding where to locate their operations or production facilities. A state or region's ability to attract and retain these firms largely determines how fast a state will grow relative to other states in the nation, and affects the rate of population growth.

³ The industries included in Statewide and regional economic base analyses vary. This analysis employs a regional economic base definition for California as outlined in the Continuing Study of the California Economy's *California Economic Growth: 2004 Report* and in the CREP's economic base reports. Economic base reports for nine California regions are available from the CREP website at: <http://www.labor.ca.gov/panel/espcrepindex.htm>.

California's economic base is comprised of eight industries: professional, technical, scientific, and management services; diversified manufacturing; wholesale trade and transportation; tourism and entertainment; resource-based; high technology manufacturing; basic information services; and government (Federal and State Government). Table 1 shows the employment levels of these industries in 2004.

Employment in California's Economic Base Industries, 2004 (Annual averages based on preliminary December 2004 data)			
	Number of Jobs	Share of All Basic Industry Jobs (%)	Share of Total Employment (%)
Total Employment	14,900,800		
Population-serving Industries	9,171,800		61.6
Basic Industries	5,729,000		38.4
Professional, Technical, Scientific, and Management Services	1,655,100	28.9	11.1
Diversified Manufacturing	1,060,700	18.5	7.1
Wholesale Trade and Transportation	1,047,200	18.3	7.0
Tourism and Entertainment	573,800	10.0	3.9
Resource-Based	441,100	7.7	3.0
High Technology Manufacturing	434,900	7.6	2.9
Basic Information Services	261,100	4.6	1.8
Government	255,200	4.5	1.7

Employment in California's economic base industries totaled 5,729,000 jobs in 2004, accounting for 38.4 percent of the State's total employment. Professional, technical, scientific, and management services was the largest basic industry with 1,655,100 jobs, followed by diversified manufacturing (1,060,700 jobs), and wholesale trade and transportation (1,047,200 jobs). These industries accounted for nearly 70 percent of the jobs in California's economic base, and for one-quarter of all jobs in California. Tourism and entertainment (including motion pictures and sound recording), resource-based industries (including farming), and high technology manufacturing accounted for one-quarter of the jobs in California economic base industries, but less than 10 percent of total employment.

B. What industries and occupations are projected to grow and or decline in the short term and over the next decade?

Industry Projections:

The EDD's Labor Market Information Division (LMID) prepares short-term (two year) employment projections annually, as well as long-term (10 year) employment projections biennially, following the biennial production of the national employment projections. The most current available short-term projections cover 2003-05, and the most current available long-term projections cover the period 2002-2012.

California's industry projections dovetail consistently with the growing industries highlighted by the President's High Growth Job Training Initiative (see Table 2) –

Advanced Manufacturing, Automotive, Biotechnology, Construction, Geo-spatial, Health Care, Hospitality, Information Technology, Retail, Energy, Financial Services and Transportation. In turn, the CREP's focus industries mirror many of the President's target industries. California highlights three broad industry clusters – the Manufacturing Value Chain, Health Science and Services, and a large and diverse set of industries characteristic of California's rural areas.

High Growth Job Training Initiative Industries	CREP Focus Industries
Advanced Manufacturing	Manufacturing Value Chain
Automotive	
Biotechnology	Health Science and Services
Construction	Residential infrastructure
Geo-spatial	
Health Care	Health Science and Services
Hospitality	Community Infrastructure
Information Technology	
Retail	Specialty food, beverages and retail
Energy	Community infrastructure
Financial Services	
Transportation	Manufacturing-Logistics

Note that the CREP "Manufacturing Value Chain" is paired with both the President's Manufacturing and Transportation industries. The Value Chain includes three components: Design, Production, and Logistics. While manufacturing production has been declining in California (and the nation) since the Aerospace cuts in the 1980's and 1990's, and the trend has been to ship production activities to lower-cost areas in the country and the world, California's talent and innovation support a strong Design component for the industry. In addition, the global marketplace requires a strong Logistics support industry to ship and track manufactured parts and completed products throughout the world.

California's short-term industry projections estimated an annual growth rate of about 1.8 percent in 2004-05, resulting in about one-half million new jobs by the end of 2005. Most of the growth in new jobs is forecast to occur in the industry sectors of Professional and Business Services, Health Care and Social Assistance, Retail Trade, and Accommodation and Food Services. Attachment D, "California Short-Term Industry Projections 2003-05, Industry Sector Growth" graphically demonstrates the distribution of new jobs across industries.

Nearly 30 percent of the job growth over the two-year period is forecast in Professional and Business Services. Most of the firms in this sector provide Professional, Scientific, and Technical Services, or Administrative and Support Services to other businesses. This subsector includes many of the support functions that maintain the day-to-day operations of businesses across all industries and includes a wide range of other activities such as Temporary Help Agencies, Office Support, Landscaping and Janitorial Services, Call Centers, and Telemarketing. Another 24 percent of job growth is split between the Retail Trade and Health Care and Social Assistance sectors.

Nearly 11 percent of the job growth is forecast to occur in Accommodation and Food Services.

Along with producing the most new jobs, the Administrative and Support Services subsector is also growing at the fastest rate, over six percent annually. Private Educational Services is growing at the next fastest rate of 4.4 percent annually. Beverage and Tobacco Product Manufacturing, which includes the rapidly expanding wine industry, is the third fastest growing industry. Industries projected to decline in the short-term include State Government, Local Government Education, Apparel Manufacturing, other manufacturing industries such as Machinery Manufacturing, Furniture and Related Product Manufacturing, Petroleum and Coal Products Manufacturing, Paper Manufacturing, Textile Mills, and Logging and Mining.

Consistent with the short-term trends, 90 percent of the industries projected to grow over the next decade are in the service-producing industries. These include administrative and support services; health care services; retail trade; accommodation and food services; and professional, scientific, and technical services. In addition, Construction, which is classified as a goods producing industry, is expected to generate almost 230,000 new jobs by 2012.

Employment Services (a component of Professional and Business Services) is at the top of the list with a projected growth rate of almost 58 percent. Other long-term top growth industries include Software Publishers with a growth rate of 48 percent; Computer Systems Design with a projected growth rate of over 40 percent; and Management, Scientific, and Technical Consulting Services projected to grow 36 percent. Growing health related industries include Private Hospitals, Dentists Offices, Ambulatory Health Care Services, Home Health Care Services, Outpatient Care Centers, Health and Personal Care Stores, Nursing Care Facilities, and Medical and Diagnostic Laboratories. Growth rates for these industry subsectors range from 13 percent for Nursing Care Facilities to 84 percent for Home Health Care Services.

Other top growth industries over the next decade include Construction-related industries – Building Finishing Contractors; Building Equipment Contractors; Residential Building Construction; Foundation, Construction and Building Exterior Contractors; and Other Specialty Trade Contractors are all top growth industries. In support of this industry, other growing areas include Building Material and Supplies Dealers and activities related to Real Estate. Growth rates are as high as 47 percent for Building Finishing Contractors.

Differing from short-term projections, which show Local Government Education declining in the short term, long-term projections for this industry forecast growth of over 20 percent over the next decade. Industries forecast to decline in the long term are similar to those forecast to decline in the short term: Apparel Manufacturing tops the list, with other manufacturing production business sectors also forecast to decline – Computer and Peripheral Equipment, Plastics Products, Converted Paper Products, Fabricated Metal Products, Industrial Machinery, Apparel Knitting Mills, Petroleum and Coal Products, and more.

Occupational Projections:

As noted in the Industry Projections section above, California's short-term occupational projections forecast over a half million new jobs through the end of 2005, as well as an additional almost three-quarters of a million job opportunities created as people vacate their jobs due to retirement, career change, or other personal reasons. Of the new jobs, the 50 largest growing occupations will create about 55 percent of the State's job growth. Of these top-growing occupations, over 167,000 new jobs will require only short-term on-the-job training (OJT), 30 days or less, and pay a median hourly wage range of \$7.41 to \$14.74. These include occupations in the Retail trade and Accommodation and Food Service industries. Retail Salespersons, Security Guards, Cashiers, Food Prep workers, Janitors, and Waiters are at the top of the list. Attachment E, "California Short-Term Occupational Projections 2003-05, Ten Largest Growing Occupations" graphically displays the top ten occupations. Attachment F, "California Short-Term Occupational Projections 2003-05, Employment Growth by Education and Training Level" graphically demonstrates that the preponderance of new jobs requires limited training.

New jobs requiring one to 12 months' OJT include nearly 45,000 new jobs with a median hourly range of \$12.81 to \$22.49. Occupations in this category can be found in the Health care Services; Professional, Scientific, and Technical Services; and Finance and Insurance industries. Customer Service Representatives, Sales Representatives, and Medical Assistants are among the top growth occupations requiring this mid-term training level.

At the professional level, over 31,000 new jobs will require a bachelor's degree and have a median hourly range of \$26.32 to \$44.61. This category includes occupations in the Professional, Scientific and Technical Services, and Retail Trade and Wholesale Trade industries. Office Managers, Software Engineers, and Accountants and Auditors are among the top growth occupations at this training level. Growth in the need for Registered Nurses (RN) accounts for over 10,000 new jobs. An RN with the required Associate of Arts degree earns a median \$30.24 per hour.

The majority of the fastest growing occupations are expected to grow at a minimum rate of three percent annually. Several fast growing occupations are found in the Construction industry, with median hourly wages from \$16.59 to \$22.24. Fast growing occupations concentrated in the Health Care Service industry have median hourly wages ranging from \$13.45 to \$40.86. Computer-related occupations found in the Professional, Scientific, and Technical Services industry have a median hourly range of \$31.74 to \$42.18. These occupations typically require a bachelor's degree.

Long-term occupational projections are consistent with short-term trends. California's 50 largest growing occupations are forecast to generate nearly 3.1 million total job openings, with 1.4 million new jobs, and almost 1.7 million additional job opportunities due to separations (vacancies left when individuals retire, change careers, or leave for personal reasons). Long-term, RNs are expected to gain about 100,000 jobs, including 56,800 new jobs and another 42,200 openings due to separations. Computer Support Specialists and Truck Drivers are also expected to have large growth as well as a high number of separations. Like the short-term projections, top

growth occupations long-term include Retail Sales, Combined Food Preparation, Cashiers, Waiters and Waitresses, Customer Service Representatives, Office Clerks, General Managers, Janitors, and Security Guards. Also at the top of the large growth list are Teacher Assistants, and Elementary and Secondary Teachers.

Some occupations that show lower job growth will still provide many job opportunities because of the large number of separations. Examples of large growth occupations with separations exceeding their growth are Wholesale and Manufacturing Sales Representatives; Executive Secretaries and Administrative Assistants; Automotive Service Technicians and Mechanics; and Bookkeeping, Accounting, and Auditing Clerks.

California's fastest growing occupations, over the long term, are concentrated in health care, construction, education, and computer-related fields. Health care occupations are expected to grow, on average, at least four percent annually. Job opportunities for Teachers are expected to grow at an average annual rate of three percent per year.

C. In what industries and occupations is there a demand for skilled workers and available jobs, both today and projected over the next decade? In what numbers?

The U.S. Bureau of Labor Statistics (BLS) facilitates occupational analysis as it classifies occupations in three ways:

- By an occupational code (the Standard Occupational Code) – The occupational code links an occupation with other similar occupations;
- By the industry (the North American Industry Classification System or NAICS code) – The industry code points to the industry or industries that employ workers in the occupation; and
- By the education/training level typically required for each occupation (one of eleven levels).

These eleven training levels allow for general comparisons of occupational skill requirements across occupations and industries. This analysis uses occupational growth trends for the occupations with higher training levels as a proxy for a demand for skilled workers. The eleven training levels, from most- to least-skilled, are:

- First professional degree,
- Doctoral degree,
- Master's degree,
- Bachelor's degree or higher plus work experience,
- Bachelor's degree,
- Associate degree,
- Post-secondary vocational training,
- Work experience in a related occupation,
- Long-term OJT (12 months or more),
- Moderate-term OJT (one to 12 months), and
- Short-term OJT (one month or less).

Selecting a training level to serve as the bottom-most proxy for skilled workers is a judgment call; California proposes to define the skilled floor at the “long-term OJT” level. This brings in skilled crafts and trades workers such as Carpenters and Electricians who often serve an apprenticeship, as well as law enforcement personnel who attend extensive peace officer standards training. Each of these occupations is among the top occupations projected to grow over the next decade at this level.

Attachment G, “Comparison of Growing Occupations in California, Base Year 2002 to Projected Year 2012,” provides a detailed listing of the projected top 100 growing occupations assorted by training level, across industries, including forecast numerical growth and growth rate. (The chart provides the 50 largest and 50 fastest growth occupations.) As noted in Section IV B, for the most part, occupations projected to grow in the next decade are in demand today and in the immediate future. Of these, the top ten largest-growth skilled occupations in California are forecast to account for growth of approximately 341,000 new jobs in the next decade. Three of these occupations require long-term OJT, and most of the remainder require a bachelor’s degree. Table 3 lists these top-growth skilled occupations.

Table 3

TOP-GROWTH SKILLED OCCUPATIONS		
Occupational Title	Growth 2002-12	Education/Training Level
Registered Nurses	58,800	Associate Degree
General and Operations Managers	42,900	Bachelor’s Degree plus Work Experience
Carpenters	35,300	Long Term OJT
Elementary School Teachers	31,300	Bachelor’s Degree
Computer Software Engineers (Applications)	29,800	Bachelor’s Degree
Police and Sheriff’s Patrol Officer	25,900	Long Term OJT
Secondary School Teachers	25,200	Bachelor’s Degree
Maintenance and Repair Workers	25,000	Long Term OJT
First Line Supervisors/Managers of Retail Sales Workers	24,800	Work Experience
Computer Software Engineers, Systems Software	22,400	Bachelor’s Degree
Accountants and Auditors	21,600	Bachelor’s Degree
Source: Labor Market Information Division Projections of Employment 2002-2012		

A more detailed analysis of the top occupations by training level, as presented in the comparison chart (Attachment G), follows:

Work experience in a related occupation: The largest growth occupations at this level are first line supervisors/managers, broken out by the industry in which they work – Retail Sales, Food Preparation, Construction Trades, and Office and Administrative. Self Enrichment Teachers is also one of the largest growth occupations, as well as one of the fastest growth at this training level. Among the other fastest growth occupations at this level are Vocational Education Teachers and Detectives and Criminal Investigators.

Post-secondary vocational training: Top-growth occupations at this level are Automotive Service Technicians and Mechanics (Automotive industry); Licensed Practical Nurses and Licensed Vocational Nurses (LVN) (Health Care industry); Fitness Trainers and Aerobics Instructors (Amusement); Welders (Construction and Manufacturing); and Bus and Truck Mechanics and Diesel Engine Specialists (Transportation). The fastest growth occupations at this level also include Fitness Trainers; in addition, Surgical Technologists and Emergency Medical Technicians (health care); Gaming Dealers (Amusement); and Security and Fire Alarm Systems Installers.

Associate degree: Occupations in the health care industry dominate the list of largest growth occupations at this level, with RNs, Dental Hygienists, and Medical Records and Health Information Technicians all among the top five largest growth occupations. Computer Support Specialists and Paralegals and Legal Assistants round out the list of the largest growth occupations. All of the top five fastest growth occupations are in the health care or health science industry—Dental Hygienists, Medical Records and Health Information Technicians, Respiratory Therapists, RNs, and Biological Technicians.

Bachelor's degree: Occupations in the Education and Information Technology industries dominate both the largest and fastest growth occupations requiring a bachelor's degree. Elementary School and Secondary School Teachers are among the top five largest growth occupations, along with Computer Software Engineers, Applications, and Systems Software. Accountants and Auditors also make this top five list. Among the fastest growth occupations at this training level, three are in Information Technology – Network Systems and Data Communications Analyst; Computer Software Engineers, Systems Software; and Database Administrators. The Health Care industry is also represented in the top five fastest growing, with Occupational Therapists. Personal Financial Advisors are also one of the top five fastest growing.

Bachelor's degree or higher plus work experience: Based upon the top five occupations, this tends to be a “management” level, which spans a variety of industries. The top five largest growth occupations at this level include General and Operations Managers, Management Analysts, Sales Managers, Computer and Information Systems Managers, and Financial Managers. The top five fastest growth occupations overlap this largest growth list, with Computer and Information Systems Managers, Management Analysts, and Sales Managers at the top of the list.

Education Administrators, Postsecondary; and Medical and Health Services Managers complete this fastest growth list at this level.

Master's degree: The top largest growth occupation at this level is Market Research Analyst. The remaining top four largest growth occupations requiring a master's degree are professional occupations in the health care or educational industry – Physical Therapists; Clinical, Counseling, and School Psychologists; Educational, Vocational, and School Counselors; and Art, Drama, and Music Teachers, Postsecondary. The fastest growth occupations requiring this educational level somewhat overlap the largest growth list, and are also in educational and health care industries. The top five fastest growth occupations are Art, Drama, and Music Teachers, Postsecondary; Health Specialties Teachers, Postsecondary; Physical Therapists; Speech-Language Pathologists; and Mental Health and Substance Abuse Social Workers.

Doctoral degree: The same two occupations are both the fastest and largest growth occupations requiring a doctoral degree – Medical Scientists, Except Epidemiologists (health sciences), and English Language and Literature Teachers, Postsecondary (education). Only these two occupations made our largest and fastest growth lists, due to the selection criteria, which exclude “all other” occupational categories, and occupations with total employment less than 5,000.

First professional degree: Again, at this level, the same occupations appear in both the largest and fastest growth list, and due to the selection criteria referenced under Doctoral degree, only four occupations are identified. Pharmacists, Lawyers, Dentists, and Family and General Practitioners are the top occupations at this skill level. Three of these four occupations are in the health care industry. Lawyers are employed across industries.

D. What jobs/occupations are most critical to the State's economy?

This is a challenging question, particularly for a State as large and diverse as California. Each job has an intrinsic value in the State's network. Even declining occupations and industries, as presented in Section IV B, continue to add value. For this analysis, then, we again take our guidance from the President's High Growth Job Training Initiative, and the industry focus of the CREP, and presume that top occupations in these industries are the most critical (see Table 2 “High-Growth Training Initiative Industries” in Section IV B).

The CREP monograph *Creating a Workforce Transition System in California* notes the need for a connection between workforce and economic development, and the need to address both the “population serving” sectors like health care, construction, and education, as well as sectors with potential for future rapid growth. These growth sectors can be unique to the geographic region, based upon the composition of local businesses, the nature and talents of the local workforce, and the synergy between business, education, and workforce preparation.

Automotive

The Automotive industry is “population serving” – as the population grows, the number of vehicles increases, as does the demand for sales and service. Large occupations

in the automotive industry include auto service technicians and mechanics, cleaners of vehicles and equipment, auto body repairers, glass installers and repairers, truck drivers, tire repairers and changers, painters of transportation equipment, and bus and truck mechanics, as well as support staff such as sales representatives, cashiers, and customer service representatives.

Biotechnology

California has the nation's largest biotechnology employer base, with more than 400 biotechnology firms – more than twice the number of firms as the next largest state. The LMID recently completed a study of California's biotechnology industry and determined that it encompasses seven major areas of research and production: agricultural products, biomedical devices, environmental management, food processing, human and veterinary medicines, instrumentation, and pharmaceutical manufacturing. Further findings indicate that occupations in California's biotechnology industry span seven major categories: research and development, clinical research, manufacturing and production, regulatory affairs, quality systems, information systems, and marketing and sales.

Top growth occupations include bioinformatics specialists, an emerging occupation encompassing the skills of computer software engineers and database administrators; sales representatives; medical scientists; veterinary technologists and technicians; biological technicians; veterinary assistants and laboratory animal caretakers; and biological technicians. In addition, California is currently partnering with several industry associations and a private compensation survey firm to conduct a survey of occupations in the biotechnology industry. This unique effort will provide the industry, government, and educators with valuable information about which occupations are used in the biotechnology industry, the extent to which they are used, and biotechnology employers' expected short-term demand for these occupations.

Construction

As noted by the CREP, Construction is "population serving." Growth is driven by a growing population's demand for homes and infrastructure. Top occupations in California's construction industry include carpenters, construction laborers, dry wall and ceiling tile installers, electricians, painters, plumbers, and first-line supervisors/managers of construction trades.

Energy

Energy is a key element of California's and the nation's economies, and without energy we cannot light, heat, or air-condition our homes and businesses, or propel our vehicles. However, California's employment projections for energy-related occupations in the period 2002-2012 indicate slow or no growth.

Financial Services

Financial services is another "population serving" sector. In fact, the services are offered across a wide range of industries. Top occupations in this industry include customer service representatives; tellers; insurance sales agents; claim adjusters; loan officers; securities, commodities, and financial services sales agents; and insurance claims and policy processing clerks.

Geo-Spatial

The Geo-Spatial industry is an emerging industry, offering a range of occupations across industries that use geo-spatial technologies or require geo-spatial competencies. The President's High Growth Job Training initiative describes the industry as "including cartographers, photogrammetrists, surveyors, civil drafters, electrical drafters, mechanical drafters, and technicians in aerospace engineering, civil engineering, electrical engineering, environmental engineering, industrial engineering, mechanical engineering, surveying, mapping, soil conservationists, range managers, foresters, geological data technicians, and geological sample test technicians. Other occupations listed by the American Society for Photogrammetry and Remote Sensing include geographers, physical scientists, computer scientists, geographical information systems analysts, database administrators, and remote sensing scientists."

California is the home of ESRI, the California Space Authority, defense and commercial aerospace companies, world-renowned oceanic research centers, and other businesses with geo-spatial functions – providing a significant base for this industry. In California, the greatest need will be for computer software engineers (systems), database administrators and electrical and electronic engineering technicians; industrial engineers; drafters; environmental engineers, and surveying and mapping technicians.

Health Care

Health care is the ultimate "population serving" industry, reflecting the demands of a growing and aging population, both in California and across the nation. California is facing a nursing shortage that is expected to widen over the next two decades, along with a growing demand for other health caregivers. A recent study by the LMID examined the skills need and demand for 48 health care occupations that provide direct care, administrative support, and operations support for the industry. The same study examined the skills relationships and career ladder potential between five direct care occupations: home health aide, nursing aide, medical assistant, LVN, and RN. Each of these occupations is critical to California's future. Top occupations in California's health care industry include RN, nursing aides, LVNs, physicians and surgeons, home health aides, and medical assistants. Other top occupations in the industry include pharmacists, dentists, and radiologists.

Hospitality

Hospitality encompasses both accommodation and food services. Top occupations in California's hospitality industry include food preparation workers, waiters and waitresses, restaurant cooks, first line supervisors/managers of food preparation and serving workers, counter attendants, maids and housekeeping cleaners, dishwashers, and food service managers. As the BLS notes, "the diverse range of activities offered by this industry provides excellent job opportunities for people with varied skills and educational backgrounds. Jobs will be plentiful for first-time job seekers, senior citizens, and those seeking part-time or alternative work schedules."

Information Technology (IT)

The Information Technology Association of America notes that "92 percent of all IT workers are in non-information technology companies, 80 percent of which are in small companies outside the IT industry." California, with its dominance in the IT sector, registers a higher percentage of IT workers in IT companies, but the concept is

consistent. Technology tools and the staff who use them are ubiquitous across all industries. Top IT jobs in California include network systems and data communications analysts and administrators, computer software engineers (both applications and systems software), computer systems analysts, computer support specialists, computer and information systems managers, computer programmers, and database administrators.

Manufacturing

The CREP notes that although California's overall manufacturing employment has declined in the last two decades due to cutbacks in Defense spending, cost reductions through outsourcing, and most recently the bursting of the "high tech bubble," a more careful examination of the component parts of the industry demonstrates that California is showing strong growth in the design and logistics components. California's employment projections note that the greatest growth occupations in this industry will be production workers, production helpers, assemblers, and facilitators, although the bulk of these new jobs will be filled through temporary help agencies. Additional largest growth occupations in the Manufacturing industry in California include first-line supervisors/managers of production and operating workers, truck drivers, maintenance and repair workers, sales representatives, computer software engineers, and welders. Also important to the design component of the industry are industrial, electronic, and electrical engineers, and engineering managers.

Retail

Retail trade is another example of the large "population serving" industries identified by the CREP. Self-operated checkout counters aside, the demands of a large and growing population will guarantee continued work opportunities, particularly in the largest occupations, such as cashiers, retail salespersons, and counter and rental clerks. Top occupations in California include these occupations as well as first line supervisors/manager of retail sales workers, automotive service technicians and mechanics, and general and operations managers. While placement of auto service personnel may seem odd in this context, it is the fourth largest occupation in Retail Trade, reflecting large mega-stores that have an automotive component.

Transportation

Transportation is a key function for California's manufacturing industry, as noted by the CREP – the logistics of getting raw materials to production centers, as well as getting parts and manufactured products tracked and distributed to global marketplaces, are essential to a successful manufacturing industry. In addition, the broader transportation infrastructure that supports the business of moving people and materials is equally key. Top occupations in California's transportation industry include truck drivers (both heavy and light truck), bus drivers (both school and transit), business operations specialists, general operations managers, cargo and freight agents, dispatchers, customer service representatives, bus and truck mechanics, and diesel engine specialists.

E. What are the skill needs for the available, critical and projected jobs?

The analysis in Section IV.D. identifies top occupations in the High Growth Job Training Initiative industries in California. This section examines the typical skill requirements for these occupations, and highlights the shared skills required. At the

end of this section is a summary of common skill requirements across industries which serves as a foundation for the later analysis of skills gaps. Attachment H, "Top Skills Required in California Industries," lists the top skills in each industry. The skills identified for each industry are from the Occupational Information Network (O*NET) skills database. More extensive definitions of each of the skills are available from that source.

Automotive

Most California employment in the automotive industry relates to selling and maintaining automobiles rather than manufacturing them. Industries that support California automobiles are motor vehicle and parts dealers, gasoline stations, and repair and maintenance facilities. The top 20 largest growth occupations in the automotive industry will grow by 20 percent between 2002 and 2012. The occupations vary considerably in preparation required by individuals seeking to enter them.

Of the 20 largest growth occupations in the automotive industry, 12 require only short to medium OJT: Retail Salespersons; Cashiers; Cleaners of Vehicles and Equipment; Office Clerks, General; Counter and Rental Clerks; Helpers—Installation, Maintenance, and Repair Workers; Truck Drivers, Light and Delivery Services; Tire Repairers and Changers; Receptionists and Information Clerks; Parts Salespersons; Transportation Equipment Painters; and Customer Service Representatives. Five of the largest growth occupations require either postsecondary vocational training or a bachelor's degree: Automotive Service Technicians and Mechanics; Bus and Truck Mechanics, Diesel Engine Specialists; Sales Managers; Cost Estimators; and General and Operations Managers.

The automotive industry has initiated efforts to standardize competencies and training for the mechanical occupations. The ten top skills used in the automotive industry's 20 largest occupations are:

- Active listening,
- Administration and management,
- Critical thinking,
- Customer and personal service,
- English language,
- Equipment selection,
- Mathematics,
- Mechanical,
- Reading comprehension, and
- Speaking.

Biotechnology

Biotechnology represents one of the brightest areas for job growth and employment possibilities in the near future. Rapid innovation coupled with scientific research means that important discoveries are being made routinely in California's biotech laboratories. Employment in the industry will grow from a base of about 100,000 in 2003 to about 250,000 in 2010. Workers in this field can work under many different job titles and in many industries.

Occupations in the industry adding the most employees between 2002 and 2012 include Bioinformatics Specialists (includes Computer Software Engineers, Applications, up 34,800 jobs; Database Administrator, up 3,500 jobs); Customer Service Representatives, up 10,700 jobs; Sales Representative, Technical and Scientific Products, up 5,100 jobs; and Medical Scientists, up 2,300 jobs. Other occupations adding significant numbers of employees include Veterinary Technologists and Technicians, Biological Technicians, Veterinary Assistants and Laboratory Animal Caretakers, and Life Scientists. Educational requirements range from a high school diploma to a doctoral degree. The skills these occupations share are similar. They include:

- Active learning,
- Active listening,
- Complex problem solving,
- Critical thinking,
- Equipment selection,
- Mathematics,
- Monitoring,
- Operations analysis,
- Programming,
- Quality Control analysis,
- Reading comprehension,
- Science,
- Speaking,
- Troubleshooting, and
- Writing.

Construction

Projections of employment in California for the 18 construction occupations with the largest growth indicate a gain of more than 160,000 workers from 2002 through 2012. The top ten of these occupations account for more than 80 per cent of this growth. Carpenters; Construction Laborers; Dry Wall and Ceiling Tile Installers; Electricians; Painters, Construction and Maintenance; Plumbers, Pipe fitters and Steamfitters; and First-Line Supervisors/Managers of Construction Trades are some of the occupations with the most projected growth. Educational requirements vary among the construction occupations. Many do not even require a high school diploma. Others, such as various supervisors and managers, require a bachelor's degree. Required skills for these jobs can be wide-ranging and, in some instances high-level, such as:

- Complex problem solving,
- Critical thinking,
- Judgment and decision making,
- Reading comprehension, and
- Time management.

Almost 40 percent of the construction jobs in the top growth occupations (Construction Laborers; Dry Wall and Ceiling Tile Installers; Painters – Construction and Maintenance; and Tapers) require skills encompassing:

- Equipment selection,
- Installation,
- Mathematics, and
- Operation and control.

Financial Services

Financial Services workers are employed in occupations that cut across a wide range of industries. In California, employment in the 20 largest growth Financial Services occupations is expected to increase by more than 50,000 workers between 2002 and 2012. These occupations include Customer Service Representatives; Tellers; Insurance Sales Agents; Claim Adjusters, Examiners, and Investigators; Loan Officers; Securities, Commodities, and Financial Services Sales Agents; and Insurance Claims and Policy Processing Clerks. Financial Managers, Financial Analysts, and Personal Financial Advisors will also experience growth during this time.

Educational requirements vary widely among the Financial Services occupations with the largest employment. Financial Managers, Financial Analysts, and nine other occupations require a bachelor's degree. Customer Service Representatives, Tellers, Receptionists, and Information Clerks and six other occupations all require only OJT. Financial jobs require workers to have high levels of:

- Active listening,
- Critical thinking,
- Decision-making abilities,
- Judgment,
- Speaking,
- Reading comprehension, and
- Writing.

Geo-Spatial

Geo-spatial workers are employed in occupations that cut across a range of industries. In California, employment in the 20 Geo-spatial occupations with the largest growth is expected to grow by more than 47,000 between 2002 and 2012. The projected demand will be for Computer Software Engineers, Systems Software; Database Administrators; Electrical and Electronic Engineering Technicians; Industrial Engineers; and Drafters, Engineering, and Mapping Technicians, All Other; which account for more than 36,700 workers (78 percent of the growth). Of these 20 occupations, all require an associate or bachelor's degree. Geo-Spatial jobs require workers to have high levels of:

- Active learning,
- Active listening,
- Complex problem solving,
- Critical thinking,
- Mathematics,
- Decision-making abilities,
- Judgment,
- Reading comprehension and
- Speaking.

Health Care

In California, employment in the top 20 growth occupations in the Health Care industry is expected to increase by more than 189,000 between 2002 and 2012. The projected demand and largest growth in Health Care careers will be for RNs; Dental Assistants; Medical Assistants; Nursing Aides, Orderlies, and Attendants; and Home Health Aides. Employment in these top five occupations is expected to grow by 124,000 workers. Educational requirements vary widely among the Health Care occupations. RNs require a bachelor's or associate degree. Nursing Aides, Personal and Home Care Aides, and Home Health Aides require a high school diploma, or General Equivalency Diploma (GED) certificate and some vocational or job-related course work to obtain State certification. Health Care occupations require workers to have high skill levels in:

- Active listening,
- Coordination,
- Critical thinking,
- Instructing,
- Monitoring,
- Reading comprehension,
- Social perceptiveness,
- Speaking, and
- Time management.

Hospitality Industry (Accommodation and Food Services)

The average growth rate of the top 24 growth occupations in the hospitality industry is 21 percent. Employment in these occupations will grow by more than 200,000 workers between 2002 and 2012. The many part-time, low-wage, and low-skilled occupations in the hospitality industry drive high turnover creating additional employment opportunities. Employers are challenged to continuously recruit employees with the skills most essential to the largest growth hospitality industry occupations. The top fourteen skills are:

- Active listening,
- Administration and management,
- Coordination,
- Critical thinking,
- Communication,
- Customer and personal service,
- English language,
- Instructing,
- Mathematics,
- Reading comprehension,
- Service orientation,
- Social perceptiveness,
- Speaking, and
- Time management.

Communication is a core skill needed by hospitality industry workers. Employers report that English-speaking applicants are particularly difficult to find.

Information Technology

As noted in Section IV.D., according to the Information Technology Association of America, IT workers are now employed in more than 90 percent of industries outside of IT. In California, the number of IT workers is expected to grow by more than 140,000 between 2002 and 2012. The greatest projected demand will be for Computer Software Engineers, both applications and systems software, and Computer Systems Analysts, whose collective numbers are estimated to grow by 70,000 jobs (38 percent) during that time. Of the 12 IT occupations with the largest employment, only Computer Support Specialists require less than a bachelor's degree. An emerging professional occupation within this field is Computer and Information Research Scientist, which requires a doctorate degree. Information technology jobs require workers to have high levels of:

- Ability to actively learn new information,
- Active listening,
- Critical thinking,
- Operations analysis,
- Reading comprehension, and
- Troubleshooting.

Manufacturing

The greatest growth expected for manufacturing jobs in California between 2002 and 2012 will be for production workers, production helpers, and assemblers and fabricators. However, based upon the LMID's staffing pattern information, it appears that the bulk of the workers in these new jobs will be hired through temporary help agencies rather than directly by the Manufacturing industry. Most direct hiring by manufacturing firms within the ten-year period will be for first-line supervisors of production and operating workers, packaging and filling machine operators, and truck drivers. Of the 23 manufacturing occupations with the largest expected employment growth, 14 require less than an associate degree – most workers are trained on the job or promote with work experience. Eight of the nine high-growth professional occupations in manufacturing require a bachelor's degree, and one requires an associate degree. The most essential skills required for these occupations are:

- Active listening,
- Coordination,
- Equipment maintenance,
- Operation and control,
- Operation monitoring,
- Reading comprehension, and
- Troubleshooting.

Professional workers in the Manufacturing industry share additional core skill requirements such as:

- Active learning,
- Critical thinking,

- Mathematics,
- Speaking, and
- Writing.

Retail

Employment in California's Retail trade industry is expected to grow by more than 204,000 between 2002 and 2012. The projected demand in Retail careers will be for Retail Salespersons, Cashiers, First-Line Supervisors/Managers of Retail Sales Workers, Automotive Service Technicians and Mechanics, and General and Operations Managers. These five occupations alone account for an increase of more than 150,000 workers (77 per cent of the growth occupations). Educational requirements vary widely among the retail occupations. Most General and Operations Manager positions require a bachelor's degree. Automotive Service Technicians and Mechanics may require vocational or apprenticeship training for specialized training and certification. Retail salespersons, and cashiering jobs generally require a high school diploma or GED certificate. Retail occupations are very diversified and require workers with high skill levels in:

- Active listening,
- Instructing,
- Mathematics,
- Reading comprehension,
- Social perceptiveness, and
- Speaking.

Transportation

Employment in California for the 20 transportation occupations with the largest growth is forecast to gain 27,500 workers from 2002 through 2012. The top ten occupations will account for more than 22,700 workers (80 per cent of the growth occupations). Four of these occupations – Truck Drivers, Heavy and Tractor-Trailer; Truck Drivers, Light or Delivery Services; Bus Drivers, School; Bus Drivers, Transit and Intercity – will be responsible for an increase of 17,600 workers (64 per cent of growth occupations). The occupations with the most growth during the projections period also include Business Operations Specialists, All Other; General and Operations Managers; Cargo and Freight Agents; Dispatchers, Except Police, Fire, and Ambulance; Customer Service Representatives; and Bus and Truck Mechanics and Diesel Engine Specialists. Educational requirements vary among the transportation occupations. Many do not require a high school diploma. Others, such as various supervisors and managers, require a bachelor's degree. Required skills for these jobs can be wide-ranging and, in some instances, mid- to high-level, such as:

- Complex problem solving,
- Critical thinking,
- Judgment and decision making,
- Management of personnel resources,
- Repairing,
- Time management, and
- Trouble shooting.

Overall Skills Needs

Despite the range of jobs identified in each industry, and the range of skills needed for the differing jobs, it is interesting to note that certain skills are commonly required across industries. They are listed below, along with the O*NET definitions of these skills:

- *Active listening* – Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.
- *Critical Thinking* – Using logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions, or approaches to problems.
- *Mathematics* – Using mathematics to solve problems.
- *Reading Comprehension* – Understanding written sentences and paragraphs in work-related documents.
- *Speaking* – Talking to others to convey information effectively (in most instances, ability to communicate in English is explicitly stated or inferred).

More broadly, the full range of skills required across industries is consistent with the still applicable workplace competencies and foundation skills identified in 1992 by the Secretary's Commission on Achieving Necessary Skills (SCANS) report, *Learning a Living: A Blueprint for High Performance; A SCANS Report for America 2000*. The SCANS report identifies five workplace competencies and three basic foundation skills and personal qualities that are needed for job performance. They are detailed in Table 4 below.

Table 4

SCANS WORKPLACE KNOW-HOW	
WORKPLACE COMPETENCIES	
Effective workers can productively use:	
Resources	—They know how to allocate time, money, materials, space, and staff.
Interpersonal skills	—They can work on teams, teach other, serve customers, lead, negotiate and work well with people from culturally diverse backgrounds.
Information	—They can acquire and evaluate data, organize and maintain files, interpret and communicate, and use computers to process information.
Systems	—They understand social, organizational, and technological systems; they can monitor and correct performance and they can design or improve systems.
Technology	—They can select equipment and tools, apply technology to specific tasks, and maintain and troubleshoot equipment.
FOUNDATION SKILLS	
Competent workers in the high-performance workplace need:	
Basic Skills	—Reading, writing, arithmetic and mathematics, speaking and listening.
Thinking Skills	—the ability to learn, to reason, to think creatively, to make decisions, and to solve problems.
Personal Qualities	—individual responsibility, self-esteem and self-management, sociability and integrity.

F. What is the current and projected demographics of the available labor pool (including the incumbent workforce) both now and over the next decade?

California is the nation's most populous state, with the California Department of Finance estimating 36.6 million state residents as of July 1, 2004. California no longer has one ethnic group comprising a majority of its population. The 2000 census reported that 47 percent of residents were white, 33 percent Hispanic, 11 percent Asian, and 6.5 percent black. Not surprisingly, California also has the nation's largest labor force and working-age population. In 2004, the EDD reported a working-age population (civilian, non-institutional, persons age 16 years and over) of 26.9 million, of which 17.7 million were in the labor force – 16.6 million employed and 1.1 million unemployed. This translates into a labor force participation rate of about 66 percent.

Age, Ethnicity, and Educational Characteristics of the California Labor Pool:

The demographic composition of California's labor pool differs in two main respects from the nation as a whole. First, it is slightly younger and second, it has a substantially larger percentage of Hispanics. These two differences are projected to continue into the next decade. California also has a highly skilled labor force, but one that contains a large number of foreign born and non-English speaking residents.

Age

In December 2004, 38.3 percent of the California labor force was 34 years old or younger, compared to 35.7 percent for the entire nation. Conversely, 36.7 percent of the California labor force was 45 years of age and older, compared to 39.6 percent for the nation. However, while slightly younger, California's labor force is still likely to experience the national phenomena of an aging labor force. California's working-age population is projected to grow by almost 4.2 million, from approximately 28.3 million in 2005 to 32.5 million in 2015 (see Table 5). Nevertheless, only around 450,000 of this 4.2 million increase (or 11 percent) is from people aged 16-24, while almost 2.6 million of the 4.2 million (or 62 percent) is from people aged 55 years and older. Labor force participation rates are generally highest in the 25-54 years age category, usually around 80 percent, whereas the rates are much lower for the youngest and oldest workers, around 40 percent for those ages 16-24 and 30 percent for those 55 years and older.

Ethnicity

California has a highly diverse population and labor force, especially compared to the nation as a whole. For example, Hispanics comprised 31 percent of the California labor force in December 2004, compared to 13 percent for the nation. Broken out by the most prevalent ethnicity and race, the California labor force was 47 percent white, 31 percent Hispanic, and 6 percent black. For the nation, it was 69 percent white, 13 percent Hispanic, and 11 percent black. In 2015, the projected California working-aged population will have an even greater representation of Hispanic persons, with 37.5 percent projected to be Hispanic, just under the 39 percent figure for Whites. The Asian working-aged population will be around 13 percent and the Black population about 7 percent (see Table 5).

Education

The California labor force is highly skilled. Over 40 percent of Californians employed in 2004 had a college degree, and three quarters of these had a bachelor's degree or higher. On the other hand, there are a large number of California adults with little education (16 percent of workers 25 to 54 years have not received a high school diploma or GED). The employment opportunities of many adults are also limited by poor English skills. One-quarter of California workers are foreign born. One-tenth of California workers in 2004 lived in a household where all adults spoke only Spanish.

Table 5

DEMOGRAPHICS OF CALIFORNIA LABOR POOL WORKING-AGE POPULATION (AGE 16 & OVER) 2005 AND 2015				
Demographic	Number of Persons-2005	Percentage of Persons	Number of Persons-2015	Percentage of Persons
<i>Ethnicity/Race</i>				
White	13,213,585	47%	12,729,596	39%
Hispanic	9,135,730	32%	12,193,251	38%
Asian	3,362,820	12%	4,278,145	13%
Black	1,852,514	7%	2,179,454	7%
All Others	777,043	3%	1,147,722	4%
Total	28,341,692	100%	32,528,168	100%
<i>Age</i>				
16-24	4,852,511	17%	5,304,543	16%
25-54	15,971,506	56%	17,107,091	53%
55 and older	7,517,675	27%	10,116,534	31%
Total	28,341,692	100%	32,528,168	100%

SOURCE: California Department of Finance. Percentages do not always equal 100 percent because of rounding.

Implications/Issues:

A number of implications or issues arise when examining California's available labor pool both now and over the next decade. These relate both to age and ethnicity. While California will likely have a younger labor pool than other states in the next decade, it will still have to deal with the probability of an aging labor force, and the challenges that it can produce. More specifically, how does California replace aging workers? Some possible answers are to: 1) ask or provide incentives for older workers to work longer, 2) target training of younger workers to industries especially threatened by an aging labor force, 3) encourage more immigration from other states, and 4) mobilize underemployed or undereducated Californians to replace the aging workforce.

Regarding ethnicity, California's diverse population presents both challenges and opportunities. Its diverse population reflects the fact that many people throughout the world see California as a "land of opportunity," one that welcomes outsiders and offers them chances to succeed that are difficult to match elsewhere. Therefore, California starts out with a natural recruitment advantage that can be tapped if needed. On the

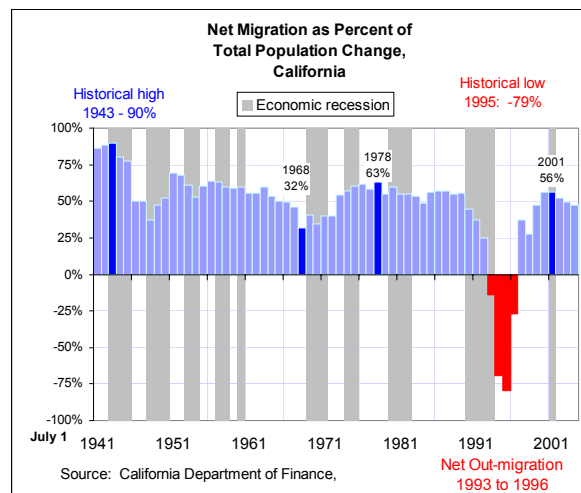
other hand, there are challenges that a diverse labor force uniquely presents. For example, foreign immigrants often lack English-language skills, which can initially limit their opportunities. Moreover, they sometimes have difficulties adapting to American culture. What steps does the State need to take to address these challenges? Two easy to suggest, but not always easy to implement, answers are to: 1) offer more English-as-a-Second Language courses, and 2) employ managers, supervisors, and trainers who are culturally attuned or sensitive to their diverse labor force.

G. Is the State experiencing any “in migration” or “out migration” of workers that impact the labor pool?

Yes, the State experiences migrant flows that impact the labor pool. Net migration (in-migration less out-migration) exceeded 200,000 persons per year in 23 of the past 30 years, 1975 to 2004. Net migration accounted for more than half of the State’s population growth in 17 of the 30 years and for at least a quarter of the total change in 26 of these 30. The large number of migrants and their demographic and skill characteristics affect labor market conditions and pose challenges to employment and training programs.

Historically, net in-migration has contributed to half of the State’s labor force growth.

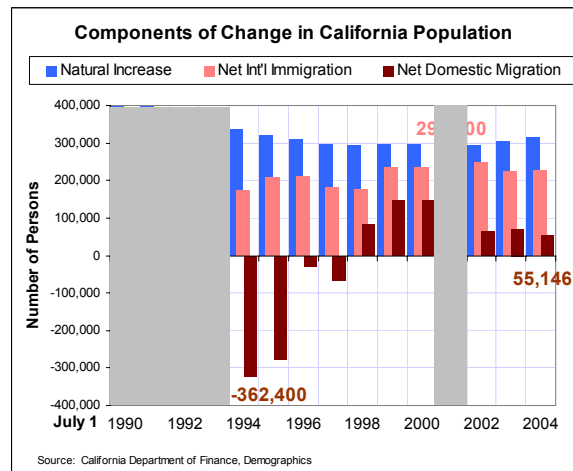
Net in-migration (in-migration less out-migration) has been an engine of California labor force growth since the settlers and gold miners of the 1800s. In the most recent year, net in-migration contributed 283,600 new California residents (July 1, 2003 to July 1, 2004). This was 47 percent of the total population change of 599,000. This estimate includes all legal and unauthorized foreign immigrants, residents who left the State to live abroad, and the balance of people moving to and from California within the United States.



Net migration⁴ accounted for the majority of California population increases throughout its history. The above graph depicts State population change from 1941 to 2004. Net migration was the majority source of population change in 42 of these 64 years.

Both international and domestic net migrations are positive. International net migration is the larger of the two, while domestic net migration varies more year-by-year according to economic conditions.

From July 2003 to July 2004, net immigration, the sum of movements



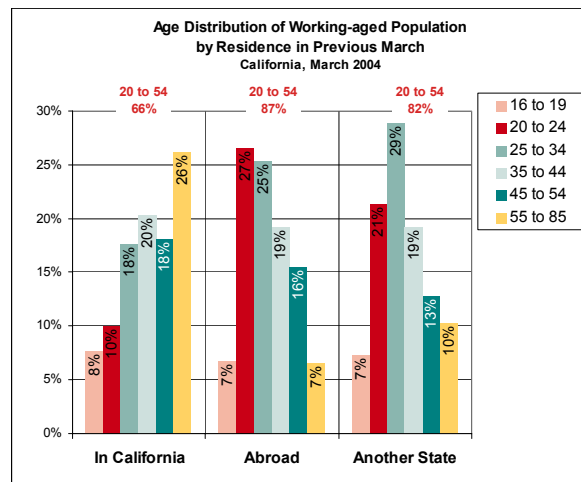
⁴ As opposed to natural increase, births less deaths.

between California and foreign countries, contributed 228,400 persons, or 38 percent of the overall population growth. Net domestic migration, the result of movements to and from California, was one-quarter the size of net immigration. From July 2003 to July 2004, domestic movements accounted for 55,200 new California residents that represented nine percent of the growth.

As the chart above illustrates, net immigration has been stable, hovering around 200,000 persons since 1990. In contrast, domestic migration has varied considerably, from a net out-migration of 362,400 to net in-migration of 146,000. The seven years of domestic net out-migration were during and following the 1990-93 recession. That recession was more severe and protracted in California than any other state in the nation. The main reason for domestic migration is job opportunities, so for the first time in history, California was not the preferred location for job opportunities.

Compared to the existing population, migrants are more likely to be in the ages of high labor force participation.

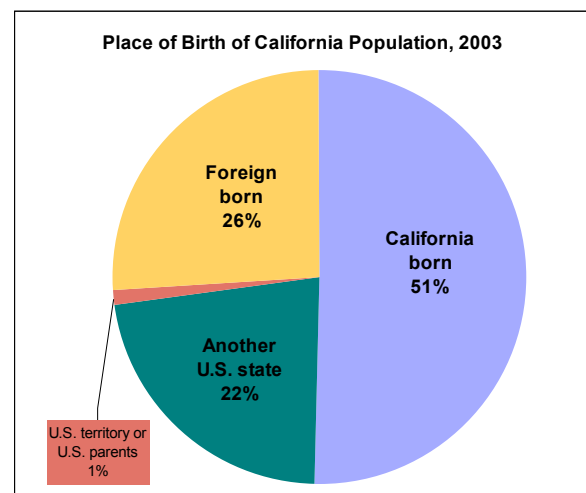
Over one-quarter of Californians who lived here in the preceding year were 55 years and older – an age when labor force participation is very low. Just two-thirds of this population were ages 20 to 54 years. On the other hand, 87 percent of Californians who moved from abroad were ages 20 to 54 years. This age group made up a similarly large share of Californians who had moved from another state in the last year. The younger age distribution suggests migrants have somewhat higher labor force participation rates than the



resident population. Data from 2004 bear this out. Domestic migrants, in particular, have a participation rate of 75 percent, ten percentage points higher than the rate among residents. Hence, without making exact tabulations, we conclude net in-migration is likely to have contributed at least half of the State's labor force growth in recent years.

As a result of high annual in-migration, almost half of the California population was born outside the State.

Migration is a flow concept. The cumulative affect of the large numbers of migrants is seen in data relating to the entire population – a stock concept. As the chart at right illustrates, as of the 2000 Census, 22 percent of California residents had been born in another state and 26 percent had been born abroad.



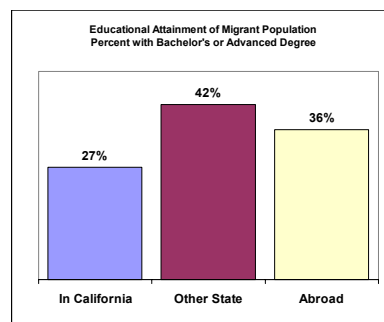
California is a diverse state where the in-migration and out-migration of the labor force varies from area to area.

All 50 Local Areas (or for sub-county Local Areas, the enclosing counties) experienced population growth from 2003 to 2004. International in-migration contributed to population growth in all areas. It was the primary source of growth in three areas. However, only 24 of the 50 Local Areas saw population growth from domestic migration. Those areas with net domestic out-migration tended to be in coastal, highly urban areas. In these areas high housing costs are pushing workers to live elsewhere. Because of differences among Local Area labor markets, it will be necessary for Local Boards to address the needs of the migrant population individually.

Demographic characteristics of persons moving to California affect labor markets and pose a special challenge for State training programs.

For education and training programs, it is important to know the education, skills, and work experience brought by in-migrants. Generally, in-migrants tend to be better educated than those who were California residents in the previous year. Facility with English by language group is shown in the table. It indicates that persons speaking Spanish and those speaking Asian/Pacific Islander languages have higher proportions of their groups with little or no English language skills.

Language spoken	Percent of population	Percent of group who speak English not well or not at all
English only	61%	--
Spanish	26%	31%
Indo-European languages	4%	13%
Asian/Pacific Island Language	9%	24%
Other languages	1%	11%



- H. *Based on an analysis of both the projected demand for skills and the available and projected labor pool, what skill gaps is the State experiencing today and what skill gaps are projected over the next decade?*

Introduction:

As noted in Section IV. B., the LMID prepares short-term (two-year) industry and occupational employment projections annually, as well as long-term (ten-year) employment projections biennially, following the biennial production of the national employment projections. The most current available short-term projections cover the period 2003-05, and the most current available long-term projections cover the period 2002-2012.

In addition, the LMID is both developing and evaluating new analytical tools to supplement these employment projections to better enable the State to identify both current and projected skills gaps. These new tools will be described in this section, and examples of how they can be used will be provided.

It is important to state, though, that there is no proven methodology for projecting skills gaps ten years ahead. Even documenting existing skills gaps is not as easy as it may appear. While there are often reports of shortages of workers in certain industries, much of this information is anecdotal. For example, reports of shortages in the health

care arena dominate the media today, but hard evidence of these shortages is hard to come by. Moreover, the reasons why a labor shortage may exist are rarely clear. For instance, is it:

- A lack of qualified workers,
- An unwillingness of employers to pay a high enough wage to attract workers, or
- Working conditions so demanding that almost no wage would be high enough to attract sufficient workers?

Also, there should be a distinction drawn between the terms “skills gap” and “skills shortage.” Sometimes “skills gap” refers to skill deficiencies of employees working within a firm, whereas a “skills shortage” means a shortage of suitably skilled people available in the labor market. Because the questions being asked in this section appear to pertain to a shortage of skilled workers in the labor market, the term “skills shortage” will be used in the following discussion.

Finally, it should be noted that, while any analysis of skills shortages at the State-level is important for general planning purposes, similar analyses at the local and regional levels is of equal importance. This is particularly true in an economy and labor market as large and diverse as California’s. Consequently, this analysis is intended to serve as an evolving approach to identifying current and future skills shortages that should assist State- and local-level planners in the information it presents, and local-level planners in continuing with their own analyses.

Current and Projected Skills Shortages:

Summarizing the findings from the projections data presented in Sections IV. B. and C., the fastest growing occupations over the long-term are concentrated in health care, construction, education, and computer-related fields, and include occupations such as RNs, Computer Support Specialists, Truck Drivers, and Elementary and Secondary School Teachers.

What remains to be discussed is how successful California has been in filling these jobs currently, and how successful it will be in filling these jobs over the next decade. In answering these questions, the LMID is utilizing three analytical tools to help pinpoint skills shortages both currently and in the years ahead. One of these tools involves an analysis of worker earnings, another taps education and training completion data to compare the current supply of new workers with the current demand for workers, and a third relies on employer-reported labor shortages.

These three analytical tools use additional data sources to evaluate possible skills shortages and can be briefly identified as:

- Wage Change Indicator,
- Completers Data, and
- Employer Reported Shortages.

1. Wage Change as an Indicator of Labor Supply

Economists studying labor supply and demand issues have searched for methods that could help identify industries that may have experienced labor (or skills) shortages. One new method looks at available data on employment, unemployment rates, and wages to assess the existence of or potential for shortages in a particular labor market. For example, strong growth in employment in a particular industry or occupation over time is likely to reflect a rise in demand for workers requiring a specific level of education and/or experience. Similarly, low unemployment rates and rapidly rising “relative” wages may imply that the demand for workers in that industry or occupation exceeds the supply and that the labor market may experience a labor shortage.

Following this line of thinking, the LMID investigated whether the longitudinal patterns revealed by employment and annual earnings at the industry level could be used as an indicator of a persistent labor shortage and whether the responsiveness of the labor market to such a shortage could be studied. The economic premise underlying this research is that labor shortages are ultimately reflected in relatively high wage increases.

Based on the difference between employment levels and wages paid by employers in a sub-industry compared to the industry overall, the LMID constructed a supply indicator (SI) to predict potential labor shortages. Table 6 below lists the top 20 industries picked by the SI to experience a likely labor shortage. The ten industries bolded in the table are also among the industries projected to have the fastest employment growth between 2002-2012, suggesting that the SI may be a useful tool in identifying potential labor shortages.

Table 6

TOP 20 INDUSTRIES PREDICTED BY SUPPLY INDICATOR TO EXPERIENCE LIKELY LABOR SHORTAGES
Computer and Peripheral Equipment Manufacturing
Semiconductor and Other Electronic Component Manufacturing
Other Electrical Equipment and Component Manufacturing
Software Publishers
Wireless Telecommunications Carriers (except Satellite)
Pharmaceutical and Medicine Manufacturing
Health and Personal Care Stores
Traveler Accommodation
Electronics and Appliance Stores
Full-Service Restaurants
Employment Services
Securities and Commodity Contracts Intermediation and Brokerage
Industrial Machinery Manufacturing
Electronic Shopping and Mail-Order Houses
Electrical and Electronic Goods Merchant Wholesalers
Computer Systems Design and Related Services
Support Activities for Crop Production
Nursing Care Facilities
Investigation and Security Services
Commercial and Service Industry Machinery Manufacturing

2. Completers Data as a Skills Shortage Tool

Another new tool that the LMID has started researching as an indicator of skills shortages is program completers data being developed by Georgia State University under contract with the DOL as part of the National Occupational Supply-Demand Consortium project. The Consortium is developing an experimental test site that provides tables, by occupation, of program completers by program of study and training, and by degree level. These “supply” figures are collected from the National Center for Educational Statistics. On the same site are tables of “demand” figures collected from the DOL on: 1) occupational characteristics, 2) occupational projections, 3) wage trends, and 4) occupational employment by the top five industries.

One clear value of this tool is that it allows for a quick comparison of current levels of program completers with both current and projected occupational demand for a wide array of occupations. Moreover, the tool offers both national and statewide figures. The Consortium’s website demonstrating the tool can be found at: <http://www2.gcic.edu/sd>. Using RNs in California as an example, the website reports that just over 5,700 individuals completed RN or post-RN programs in California in 2001-02, well short of the 9,900 average annual openings for RNs as estimated by the DOL in 2002.

While the Consortium work holds promise in creating an easily accessible tool that can provide a quick snapshot of current supply and demand numbers, there are a number of limitations that must be recognized. First, of course, is that the numbers must be reasonably accurate. The Consortium’s experimental website states that its numbers contain “gaps and inaccuracies” and should not be used for more than demonstration purposes at this time. However, the 5,700 RN and post-RN program completers that the Consortium cites compares fairly closely to the approximately 5,200 graduates from RN programs that the California Board of Registered Nursing released for California in 2001-02.

Second, even if the program completion numbers are accurate, knowing how to use them for comparative purposes requires careful thought. For instance, using state numbers alone may not make sense for certain occupations, especially for jobs that require a four-year college degree and beyond. Some analysts believe that there is a national and international market for occupations requiring a four-year degree – that these graduates are much more willing and able to travel from their current home to take a job. This may also be true for some occupations requiring less than a four-year degree. For example, the California Board of Registered Nurses reported that in 2001, 55 percent of RN licenses issued in California were to individuals educated in another state, and another 13 percent were issued to those educated internationally. Therefore, one may need to look beyond state numbers to compare a state’s supply-demand figures for a given occupation.

Finally, while reliable program completion figures could be helpful in examining the current supply-demand (or skills shortages) situation, it has limited value in assessing the situation ten years ahead. Even a carefully interpreted analysis of accurate completion figures can only suggest that there may or may not be a

shortage today, and possibly in the future if the completion figures do not change. However, there is no established method to project program completion figures ten years from now as is done for occupational openings.

3. *Employer Reported Shortages*

Besides exploring the use of the SI and the Consortium's *experimental* website as new tools for measuring skills shortages, the LMID continues to examine existing tools that shed light on current shortages. For example, for around 15 years, the LMID and local partners surveyed employers to collect occupational information for occupations chosen by the Local Areas as important to their areas. The local partner then produced an area occupational report that presented a wide array of occupational information including: wages and benefits, work activities, education and training needed, annual job openings, and demand for and availability of qualified workers.⁵ In gathering information for the last item, employers were asked two questions:

- How difficult is it to find experienced and qualified applicants?
- How difficult is it to find inexperienced but qualified applicants?

The results of these "difficulty in recruiting qualified applicants" questions present more than just anecdotal information and are especially valuable because of their sub-state or local coverage. When used with other skills shortage indicators, this employer provided information could be a very useful analytical tool.

Identifying Skills Shortages:

Using the analytical tools discussed above, the LMID analyzed the high-growth occupations identified in Section IV. B. (for those occupations where program completers' data and employer-reported shortages data are available), to try and identify occupations that probably are experiencing current shortages and may experience shortages over the coming decade.

The results in the Table 7 below suggest that California may well be experiencing current shortages for most of the occupations listed. Only three of the occupations – Heating, Air Conditioning, and Refrigeration Technicians; General and Operations Managers; and Medical Assistants – show more program completers than average annual openings. However, even these three had a majority of employers reporting difficulty in recruiting such workers. In addition, a majority of employers reported recruiting difficulties for 11 of the 14 occupations where employer data were available. Finally, five of the 15 occupations – Computer Software Engineers, Dental Hygienists, Home Health Aides, Medical Assistants, and RNs – are prominent occupations in three of the top 20 industries predicted by the SI to experience likely labor shortages (see Table 6 above).

⁵ Because of budget cutbacks, this information is still being collected, but LMID alone administers the surveys, selects the occupations surveyed, with advice from local workforce training providers and others, and will shortly present the results on its website.

The evidence presented in the table, even noting the limitations of the program completers and recruiting qualified workers data, suggests that California is experiencing a current shortage of workers in most of these 15 occupations. In addition, until the program completion numbers increase or employers take other steps to recruit more qualified workers, it is possible that shortages will continue over the next decade if projected growth estimates prove accurate.

Not included in this analysis are the general skills, often referred to as soft and basic skills, that are required across industries and across occupations. These skills shortages, as identified commonly by employers, are addressed in the analysis in Section IV. E. of this plan and summarized within the table on SCANS skills.

Table 7

POTENTIAL SHORTAGES IN CALIFORNIA FOR SELECTED OCCUPATIONS				
Occupation	Program Completers (2001-02)	Average Annual Openings (2002- 2012)	Projected 2002- 2012 Growth	Employers Reporting Somewhat & Much Difficulty in Recruiting Workers (2001-03)*
Accountants and Auditors	3,390	4,200	Average	44% (7)
Automotive Mechanics	2,327	3,700	Faster than average	76% (9)
Carpenters	629	5,400	Faster than average	60% (7)
Computer Software Engineers, Applications & Systems Software	4,585	6,500	Much faster than average	N/A
Dental Hygienists	401	1,100	Much faster than average	74% (7)
Elementary School Teachers	1,595	7,000	Average	31% (7)
Heating, Air Conditioning, and Refrigeration Technicians	975	700	Much faster than average	72% (6)

Occupation	Program Completers (2001-02)	Average Annual Openings (2002-2012)	Projected 2002-2012 Growth	Employers Reporting Somewhat & Much Difficulty in Recruiting Workers (2001-03)*
Home Health Aides	92	2,200	Much faster than average	50% (7)
General and Operations Managers	28,640	8,500	Average	70% (4)
Medical Assistants	9,335	3,200	Much faster than average	52% (8)
Office Clerks, General	739	13,500	Average	31% (7)
Police and Sheriff's Patrol Officers	1,862	4,600	Faster than average	56% (9)**
Registered Nurses	5,023	9,900	Faster than average	81% (8)
Secondary School Teachers	3,021	5,800	Faster than average	49% (6)
Truck Drivers, Heavy and Tractor-Trailer	867	4,900	Faster than average	66% (7)

*Annual average percentage answering "difficulty in finding qualified but inexperienced applicants" question in the years 2001-2003. Number in parenthesis is the annual average number of local regions providing data. A local region can be a county, multiple counties, or a Local Area.

**Number of local regions is for calendar year 2003 only.

Conclusion:

While California has a good idea of what jobs are apt to grow over the next decade, the tools available to predict whether there will be enough qualified workers to fill those jobs are currently limited. By exploring new analytical tools, such as program completion numbers, and by taking a fresh look at existing sources of information, such as employer-reported difficulties in finding qualified workers, California hopes to develop a more systematic approach for recognizing both current and future skills shortages.

Given the available tools, it appears that California is not training enough homegrown residents currently to fill such jobs as RNs, Carpenters, Elementary School Teachers, and Truck Drivers. Whether current statewide shortages exist in those occupations is less certain. The example of RNs licensed in California in 2001, most of whom were educated outside the State, demonstrates that qualified workers are willing to come and employers are willing to recruit beyond our borders for certain occupations. Thus, California must be cautious in making definitive statements about skills shortages today, and especially cautious about making them a decade from now.

I. Based on an analysis of the economy and the labor market, what workforce development issues has the State identified?

California has the nation's largest labor force and thus has a myriad of issues that the workforce system must address to ensure that employers have a highly-skilled, highly-trained workforce. While some of these issues were identified through an analysis of the economy and labor market, others were identified through the Two-Year Plan process. These include critical workforce issues that Local Boards have identified.

The economic data suggest that three of the top ten largest-growth skilled occupations in California require long-term OJT and most of the remainder require a bachelor's degree. At the same time, the data suggest that fewer students are graduating from high school and moving on to colleges. Issues for the system to address include:

- Is there sufficient funding in the system to address training needs? This question can be directly tied to a much broader question of what efforts need to be undertaken to better understand expenditures, whether administrative or programmatic, to ensure that resources are being utilized effectively.
- How can career technical education be expanded to ensure that California's youth, particularly youth most in need, are prepared for the workplace and succeed in their academic and career goals?
- What career pathways are available for workers to transition to higher paying jobs and how are these pathways linked to lifelong learning?
- What additional efforts are required to build stronger partnerships among workforce development providers, given that resources are shrinking? How can California better connect students to employers?

The demographic data outline the increasing number of immigrants in California. Many of these immigrants are limited-English speaking. Issues for the system to address include:

- What workplace competencies, including workplace literacy skills, can be developed to ensure that workers possess the skills that businesses need to succeed?
- How can the system better integrate with education and training partners, as well as business and industry, to address literacy barriers?

California's size, diversity, and complexity require that the State must continue to invest in a locally-driven workforce system. The local systems must reflect the needs of both the State and the local communities they serve. Systems issues include:

- How can the State ensure that One-Stop partners are contributing appropriately to the local One-Stop systems? How can the One-Stop system better serve special populations such as youth, farmworkers, and individuals with disabilities? How can the local One-Stop systems partner more effectively and efficiently with the broad array of public and private workforce and workforce-related programs?
- How can the State better coordinate program activities such as performance measurement and monitoring in an effort to maximize resources?
- How can Local Boards and One-Stop Operators better meet the needs of their business communities? Currently, the type and intensity of business services varies among Local Areas. Is there a need to standardize business services?
- What waivers should the State pursue to more effectively manage the workforce system, given limited administrative resources?

J. What workforce development issues has the State prioritized as being most critical to its economic health and growth?

The issues contained in the previous section are of equal importance and must be addressed by the workforce system in order to achieve economic health and growth. While some of these issues are administrative and can be addressed at the State level with input from local partners, others will be addressed by the State Board through its committee structure.

V. Overarching State Strategies

A. Identify how the State will use WIA Title I funds to leverage other Federal, State, local, and private resources in order to maximize the effectiveness of such resources and to expand the participation of business, employees, and individuals in the Statewide workforce investment system? (§112(b)(10).)

One of the Governor's priorities for progressively moving California's workforce system into a demand-driven architecture is to achieve a more efficient use of public and private funding. The State Board supports three strategies to leverage funding at the State level and to guide and encourage more effective and efficient partnerships and leveraging at the local level. These strategies are:

The Governor's Strategic Investments of 15 Percent Discretionary Funds:

The Governor's three priority areas for the strategic investment of 15 Percent Discretionary funds have provided a necessary focus for Local Boards in developing programs and training that serve individuals and businesses that currently have the greatest economic impact in the State. An example is the investment of State funds through grants to local public/private partnerships in order to address California's shortage of professional nurses. Local partnerships that were formed in response to the nursing shortage include the Central Valley Collaborative (West Valley College), the Bay Area Health Care Foundation, Cedar Sinai Collaborative, the Sacramento

Area Health care Collaborative, and the Northern California Employment Network Collaborative.

All of these projects were developed with 15 Percent Discretionary seed funds from the State and all have leveraged education and other funding to expand their programs and, where applicable, to ensure their sustainability. State Solicitation for Proposals (SFP) making 15 Percent Discretionary funds available for nurse training programs have required a match between State funds, education funds, and private sector funds.

Increasing State- and Local-Leveraged Funding:

The LWDA and the State Board are aggressively seeking opportunities to leverage resources from other State agencies and departments and from the federal government, as well as from the private sector. The California Governor's Committee for the Employment of People with Disabilities (CGCEPD), for instance, has developed and implemented strategies, including significant resource development, for expanding access to One-Stop services for people with disabilities. Among its activities has been the implementation of a disability navigator program, as well as training and technical assistance to One-Stop staff in disability access, both of which are funded in part through federal grants. Another example is the Governor's recently announced five-point plan to use 15 Percent Discretionary funds in combination with significant leveraging of private sector resources to reduce California's critical nursing shortage.

Local Boards are also increasing their efforts to leverage both public and private resources within their local workforce systems. An example of local coordination and leveraging is the Manufacturing Skills Project in Southern California. Several Southern California Local Boards are collaborating with the CDE and the San Bernardino Community College district to implement a pilot project to conduct certified training in manufacturing skills. The project is funded under the DOL's High Growth Job Training Initiative. This project will incorporate advanced manufacturing education and training into technical programs at high schools and community colleges and is expected to be replicated nationwide after being piloted in four Southern California counties.

Many Local Boards are successfully leveraging private funding through specific initiatives and specialized training services such as OJT. Their leveraging of public funding has expanded, as well, to workforce-related partners and programs such as the local Community Development Block Grant and Housing and Urban Development providers. The County Welfare Departments alone have invested some \$170 million in resources in local One-Stop systems partnerships over the last five years.

Improving State-level Intergovernmental Relations:

The State Board and the LWDA are also actively pursuing new and strengthened partnerships with other agencies and departments, such as the BTHA, which administer funding for workforce and workforce-related programs. Transportation and housing are often reported by local practitioners and planners as public policy areas that are critical to attracting and retaining business and industry as well as attracting and retaining workers that can support the new economy. By more strategically coordinating public policy and funding for their programs, the LWDA and BTHA can

reduce waste and duplication, turning those savings into expanded services to the people of California, and take advantage of federal grants and private sector resources that become available.

- B. What strategies are in place to address the national strategic direction discussed in Part I of this guidance, the Governor's priorities, and the workforce development issues identified through the analysis of the State's economy and labor market? (§§112(b)(4)(D) and 112(a).)*

At its February 17, 2005 meeting, the State Board introduced a process for the development of the new Strategic Two-Year State Plan (State Plan), which included public planning discussions by the three special committees formed at the same meeting after receiving a new charge from the Governor. With the convergence of the planning process and a new board structure, the State Board emphasized its opportunity to become the catalyst for developing a new workforce system vision and strategies that follow the general direction and leadership the Governor has provided since assuming office. The eight national priorities are also viewed by both the Governor and the State Board as critical directions for improving and advancing California's workforce system. As such, they became major considerations in planning discussions and development, and are imbedded in the Governor's vision and priorities, and in various strategies discussed in different sections of this plan.

The Governor and the State Board are committed to considering and addressing workforce issues identified through the planning process and, in doing so, will advance the system towards both the Governor's vision and priorities and the national strategic direction. Numerous potential waivers were suggested during the planning process as well, by local representatives, State administrative entities, and partner systems and programs. These issues and waiver suggestions will be considered and addressed by the LWDA and the State Board as critical elements of their policy agenda to implement the Governor's vision and priorities for California's workforce and economic development systems.

- C. Based on the State's economic and labor market analysis, what strategies has the State implemented or plans to implement to identify and target industries and occupations within the State that are high growth, high demand, and vital to the State's economy? (§§112(a) and 112(b)(4)(A).) The State may want to consider:*
- 1. Industries projected to add a substantial number of new jobs to the economy; or*
 - 2. Industries that have a significant impact on the overall economy; or*
 - 3. Industries that impact the growth of other industries; or*
 - 4. Industries that are being transformed by technology and innovation that require new skill sets for workers; or*
 - 5. Industries that are new and emerging and are expected to grow.*

California hosts the world's fifth largest economy, but California is not one area with one homogeneous economy. The State is marked by a number of regions with unique economic configurations. As a result, industries that flourish in Southern California may not be represented in the northern part of the State. The high technology concentration of Santa Clara County's Silicon Valley may not be suited to the deserts of Southern California. Construction that attracts investment and new workers in metropolitan areas may be small and only restricted to

maintenance or renovation in rural communities. Wholesale trade activities concentrate near ports, railheads, and distribution centers that take advantage of the intersection of Interstate Highways, but retail trade exists wherever population concentrations create enough sales to justify investment.

The State Board sponsored CREP provides better insight into California's economy. The regional perspective supports a better understanding of how the economy is changing, where the changes are concentrated, and what catalysts and conditions are causing those changes. Working with staff from the LMID, the CREP published an industry employment series that provides annual county data at the four-digit North American Industry Classification System level, back to 1990. The project team then used that data as a springboard into the dynamics that take place in and between the State's economic regions. The studies explore specific industry clusters that are critical to the health of those regions and the statewide economy. The nine regional studies compare the performance of the regional economy to the national and State economies, point out the existing economic clusters in the region, and highlight the clusters of economic opportunity upon which local decision makers could focus their attention, specifically workforce investment and economic incentives, to continue building the regional economy.

For example, a great part of the most northern economic region is forested land, much of it designated as national or State forest land. As a result of this ownership, over 40 percent of the current employment in this region is government employment and the remaining jobs were mostly concentrated in retail trade, an industry that typically pays lower than average wages. However, an analysis of the data showed that the fastest growing industries included the management of companies and enterprises, an industry that pays higher than average wages. That newfound industry was followed closely by arts, entertainment, and recreation, another industry with the potential to pay average or above average wages. The researchers found that the low population density in the region is attracting these two new industry sectors. Local decision-makers who participated in presentations of these data across the region recognized the opportunity to use what had traditionally been seen as a constraint (government ownership) as a tool to leverage higher growth in these newly identified clusters of economic opportunity.

A different picture exists in Southern California where the average presence of government employment is less than anywhere else in the State, and the bulk of the jobs are in manufacturing and service industries that export their products outside of Southern California. The researchers found that approximately 35 percent of the almost three million people working in Southern California were involved in making or distributing products, materials, or services to people outside of the area. This understanding is helping planners and decision-makers focus their attention on attracting companies back to this cluster of economic opportunity and they are using the large, well-trained, and experienced workforce along with the presence of many support companies and extensive infrastructure as part of their package.

In addition, the LMID produces various products that help individuals and local planners identify and target growing industries and occupations. These include:

- Industry and occupational employment projections on-line and through a comprehensive network of One-Stop Career Centers throughout the State;
- Occupational and career information products for public use through that same network of centers;
- Original labor market research such as studies into high-technology, surveys of emerging biotechnology employment, and publication of special labor market publications such as the annual State of the State's Labor Market Report;
- The new Local Occupational Information Group's on-line publications are a vehicle for distributing information about emerging and other high-demand occupations;
- Graphic representations of information, including maps, charts, graphs, and tables, to help people better understand the employment dynamics in their regions and Local Areas;
- Continuing study of traditional core industries, such as agriculture, by collecting and delivering agricultural employment data;
- Industry employment data for small counties overlooked by the mainstream BLS programs;
- Electronic State workforce information delivery systems to which employers, job seekers, and economic developers have Internet access at One-Stop Career Centers and their own offices; and
- Workforce information training activities as needed by the Local Boards or the One-Stop Career Centers across the State.

D. What strategies are in place to promote and develop ongoing and sustained strategic partnerships that include business and industry, economic development, the public workforce system, and education partners (K-12, community colleges, and others) for the purpose of continuously identifying workforce challenges and developing solutions to targeted industries' workforce challenges? (§112(b)(8).)

The Governor is pursuing two strategies to promote and develop strategic partnerships. The first is to implement the four broad priorities for California's workforce system described in Section II. The business-led State Board will provide the necessary leadership, and convene the necessary partnerships, to guide the system towards the Governor's vision.

Secondly, the Governor has mandated that government in California improve intergovernmental relations among departments and agencies, as well as with the private sector, to enhance public services. As suggested in Section I, the Governor is actively working with many State agencies to address economic development and workforce challenges across public systems. Moreover, the administration has ensured that these departments and agencies are represented on the State Board.

E. What State strategies are in place to ensure that sufficient system resources are being spent to support training of individuals in high growth/high demand industries? (§§112(b)(17)(A)(i) and 112(b)(4)(A).)

The Governor's three current priorities for the strategic investment of 15 Percent Discretionary funds are:

- High-Wage, High-Growth Jobs;
- Advancing workers with barriers to employment; and
- Industries with statewide shortages.

These priorities guided the most recent SFP process, which also required local partnerships to demonstrate in their applications that they had developed match funding through the leveraging of public and private resources.

Another strategy is the continuing development of the CREP, the findings and information of which are being used by local planners in identifying which jobs are most critical to their local and regional economies and ensuring that their training resources are targeting high-growth and high-demand industries. These two strategies, balanced by the Governor's charge for government to improve partnerships and identify cost savings and the sharing of resources to expand training services, will optimize the amount of resources spent on training in occupations in high-growth and high demand industries.

F. What workforce strategies does the State have to support the creation, sustainability, and growth of small businesses and support for the workforce needs of small businesses as part of the State's economic strategy? (§§112(b)(4)(A) and 112(b)(17)(A)(i).)

The Governor and the State Board are committed to the success of California's small businesses. The Governor's goals of reducing the high cost of business, continuously providing employers with a qualified workforce, and creating every opportunity for small business to grow and create more jobs are important strategies for stimulating economic growth. Small businesses drive the majority of growth and innovation within California. Although small businesses are critical to all areas of the State, they particularly stand out in the many rural areas where there are no large employers.

One of the State Board's strategies for assisting small business was to adopt a policy framework for use of WIA Dislocated Worker 25 Percent funding, including a competitive funding component that prioritized innovative small business services and the development of local Rapid Response systems that modeled responsiveness to the needs of small companies. This policy was based upon successful local models, such as that implemented by the Northern Rural Training Employment Consortium (NoRTEC). Most Local Boards provide business services through their One-Stop systems. NoRTEC's business service portfolio, for instance, consists of three primary functions: Business Startup, Business Expansion, and Business Vitalization. Within these functions, six service clusters are offered: Business Information Exchange, Human Resource Support, Employee Recruitment, Employee Training, Layoff Assistance, and Public Policy.

Based on public and partner discussions with the State Board, other investment strategies are being considered. In order to ensure that California's workforce system assists small business owners succeed in their contributions to California's communities and economy, the State Board will explore:

- Developing the capacity of local One-Stop systems and personnel to provide quality business services;
- Identifying and leveraging State and local resources for the sole purpose of strengthening business services and business service staff; and
- Developing guidance and standards for delivering business services.

G. *How are the funds reserved for Statewide activities used to incent the entities that make up the State's workforce system at the State and local levels to achieve the Governor's vision and address the national strategic direction identified in Part I of this guidance? (§112(a).)*

Since the implementation of the WIA, California has used the Governor's 15 Percent Discretionary funds reserved for statewide activities in a variety of ways to provide incentives for system-building, with a focus on both the Governor's priorities and the national priorities. The State Board and the Governor have fashioned initiatives such as the Caregiver Training Initiative, that encourage new local and regional partnerships to address a statewide shortage of health care workers; the Nurse Workforce Initiative, that relies on strong regional partnerships to address statewide shortages of professional nurses; the Community and Faith Based Initiative, that expanded the access of these organizations and their customers to the training, job, and career services offered through One-Stop Career Centers; and the Veterans Employment-Related Assistance Program, announced by the Secretary of Labor and Workforce Development in March, 2005, to provide enhanced and targeted employment and training services to California's veterans.

SFPs have made statewide funds available to act as an incentive for a number of different purposes, including services to foster youth and youth with disabilities, farmworkers, welfare recipients, and other populations most in need; training for industries with statewide shortages of workers; programs that identify and train for high-wage, high-growth occupations; enhanced partnership and service-integration strategies; and local One-Stop system-building. The latest SFP, for instance, makes \$22 million in 15 Percent Discretionary funds available for projects that focus on growth Industries that require high-wage, high-skill job training; removing barriers for special needs populations; and industries with a statewide need, particularly for nurses and other health-related occupations.

In addition to the initiatives and SFPs that have been developed by the Governor, the LWDA, the State Board, and the EDD, 15 Percent Discretionary funds are made available each year for distribution in the form of incentive grants to Local Areas. The Governor's incentive policy, developed by the State Board provides for:

- Allocating 70 percent of WIA available Incentive Award funds for Exemplary Performance awards. Local Boards that meet their negotiated performance indicators in each of the four client groups (Adults, Dislocated Workers, Older

Youth and Younger Youth) receive a full or partial award, depending on the outcomes achieved.

- Allocating 30 percent of available Incentive Award funds for regional collaboration or local coordination. Awards are provided to Local Boards that can demonstrate successful regional collaboration efforts among Local Boards or local coordination efforts within their Local Areas.

H. Describe the State's strategies to promote collaboration between the public workforce system, education, human services, juvenile justice, and others to better serve youth that are most in need and with significant barriers to employment, and to successfully connect them to education and training opportunities that lead to successful employment. (§112(b)(18)(A).)

California's strategy to promote collaboration between subject agencies and programs to better serve youth is threefold: 1) the State and Local Boards will continue to improve and expand both State and local partnerships between entities that serve youth most in need; 2) the system will support State legislative efforts to improve the workforce education curriculum at all levels of education; and, 3) the Governor and the State Board will continue to explore initiatives using federal grant funds and Governor's 15 Percent Discretionary funds that promote the necessary collaboration. Examples of these three strategies in action are:

- The Youth Vision Interagency Team was established in December 2004 to explore strategies for incorporating the new vision to serve out-of-school and at-risk youth as outlined in the DOL Training and Guidance Letter (TEGL) No. 3-04. Currently the team is comprised of State representatives from the State Board, the EDD, the State Board of Corrections, the California Youth Authority, and the CDE. Representatives from the Job Corps and the DOL also participate. This team represents a new and expanded partnership.
- Career Technical Education (Vocational Training), is being addressed, in part, through State legislation. For example, two bills passed in 2002 focus on the new role of preparing students for both employment and educational options beyond high school in order to meet the skill demands of the new economy. One of the bills requires the Superintendent to develop Career Technical Education model curriculum standards and a vocational education course of study by 2005. The other bill requires the development of a model Career Technical Education framework for implementation of career and technical education by 2006. In developing the model curriculum standards and framework, the Superintendent will work in consultation and collaboration with representatives from business and industry, institutions of higher education, classroom teachers, school administrators, parents and guardians, and the State Legislature.
- The Youth Council Institute (YCi), was designed and commissioned by the SYC to strengthen California's local youth councils and to improve WIA services to youth, particularly those most in need. The YCi receives input from team representatives of highly respected and knowledgeable youth organizations from across the country. The State Board formally adopted an "All Youth – One System" framework and tools, developed by the YCi, that serve as the foundation for their

work. The framework and tools were developed collaboratively with strategic partners and local youth council staff and members in regional workshops. The framework includes elements of a comprehensive local youth-serving system; functions of a youth council in building the system; and stages of developing the system.

- I. Describe the State's strategies to identify State laws, regulations, policies that impede successful achievement of workforce development goals and strategies to change or modify them. (§112(b)(2).)*

All State Senate and Assembly Bills are forwarded to each member of the Governor's cabinet, including the Secretary of Labor and Workforce Development. Agencies then assign bills for analysis to appropriate organizations within the agency, such as the EDD and the State Board. The EDD and the State Board also employ staff who actively monitor legislative activity and review all new legislation relating to workforce programs in California and, working through the LWDA, forward analyses and positions on bills to the Legislature and the Governor's Office.

Federal laws are normally implemented in California through enabling legislation. State enabling legislation assigns authority for developing State regulations. The State elected to implement the WIA, however, through an Executive Order issued by the Governor. As a result, California has not developed and implemented its own regulations for the WIA, but follows federal law and regulation.

There are State laws and regulations that impede workforce development goals and strategies. As a result, one of the Governor's important policy directives is to simplify regulations, particularly those that unnecessarily impede efforts to improve California's business climate and economy. Because an adequately and continuously prepared workforce is critical to business and economic growth, the LWDA and its workforce organizations, including the State Board, collaborate with partner agencies and programs at the State and local levels to identify and address unnecessary regulations that burden the State's efforts to provide effective workforce programs and services.

- J. Describe how the State will take advantage of the flexibility provisions in WIA for waivers and the option to obtain approval as a workflex State pursuant to §189(i) and §192.*

California has not exercised the option to become a workflex state, but has continuously monitored the need for specific waivers from the DOL. State Board staff participate monthly in a Local Area Administrators' group that is facilitated by the EDD; the California Workforce Association (CWA) and both Local Board members and Local Area Administrators attend State Board meetings and are provided the opportunity to present issues to and make requests of the State Board; and the State Board has convened ad hoc workgroups for the specific purpose of exploring potential waiver requests.

During the planning process for the State Plan, the State Board conducted numerous meetings with partners and stakeholders to receive public input on the plan and the planning process, including suggestions for waivers. Each of the State Board's three special committees (High-Wage, High-Growth; Advancing Workers; and Statewide

Shortages) as well as meetings with local representatives and with State partners, produced one or more suggestions for potential waiver requests. Exploration of these and other waiver suggestions that might surface will become key activities for the State Board over the next two years as it assists the Governor in maximizing California's use of the WIA flexibility provisions.

VI. Describe major State policies and requirements that have been established to direct and support the development of a Statewide workforce investment system not described elsewhere in this Plan as outlined below. (§112(b)(2).)

A. What State policies and systems are in place to support common data collection and reporting processes, information management, integrated service delivery, and performance management? (§§111(d)(2) and 112(b)(8)(B).)

California manages client information for the WIA program through the State administered Job Training Automation (JTA) system. Use of this system for compliance reporting is mandatory for all entities that receive WIA funds; other partners have the option to use the system. Whether other partners exclusively use the JTA system is determined at the local level.

California encourages service integration through the use of a single client record for program participants being served by the WIA and other partner programs. The JTA system has the ability to track and report partner services. In July 2003, the EDD's WID issued Workforce Information Act Bulletin [\(WIAB\) 03-07](#), describing the data management procedures for clients receiving services from more than one program.

While California has yet to implement a common data collection system for core services, many Local Boards have formed alliances to collect usage information for universal service. The SMARTware system, for instance, is an Internet-based database that uses a simple bar code system to track core services. NoRTEC, as another example, has developed a core services data collection system that is used by the eight counties that comprise its Local Area.

California continues to evaluate replacing the JTA system with a more modern reporting system to support this effort. The State approval process and the availability of the necessary funding and staff resources drive the timeline for implementation of a new automated reporting system.

B. What State policies are in place that promote efficient use of administrative resources such as requiring more co-location and fewer affiliate sites in local One-Stop systems to eliminate duplicative facility and operational costs or to require a single administrative structure at the local level to support local boards and to be the fiscal agent for WIA funds to avoid duplicative administrative costs that could otherwise be used for service delivery and training? (§§111(d)(2) and 112(b)(8)(A).)

The EDD's Job Service (JS) Branch has issued a series of guiding documents to improve decision-making such as where to co-locate to lower administrative costs. The series includes the JS Model, Partnership Pooled Costs, Collocation Agreement Process, Program Operational Plan, Budget Allocation Template and other tools.

These were steps taken by the State to better integrate JS core services into One-Stop systems and reduce waste and duplication.

The Governor is intent upon expanding and improving efforts to create administrative efficiencies within State and local government, and direct more funding into services such as training, by eliminating unnecessary infrastructure and core services costs. The State Board will explore these costs at the State and local levels and use the results to explore opportunities for better co-location, streamlining of operations, and consolidation of facilities and administration.

C. What State policies are in place to promote universal access and consistency of service Statewide? (§112(b)(2).)

California is the nation's most populous state, with the largest, most diverse labor force. The unique demographics of each Local Area in California require different methods of ensuring universal access. The State Board supports the idea that Local Areas are best positioned to implement solutions that meet the needs of their local communities.

The EDD produces WIA technical assistance guides for use by Local Boards to ensure consistency in program eligibility. These guides provide a structured, simplified process for implementing universal access. All Local Boards are encouraged to fully engage partner programs and faith-based and community-based organizations to assist in the leveraging of resources. Local Boards are encouraged to collaborate and pool resources where appropriate to improve their workforce investment systems.

Of concern to the State and Local Boards is the lack of a universal service tracking system to count the core services that One-Stop centers provide to millions of customers each year. The Central Valley Universal Service Tracking Pilot, funded in part through 15 Percent Discretionary funds, was designed to count the number of people accessing their One-Stop systems, regardless of whether those people eventually register in the WIA programs. Many other Local Boards in the State have developed their own systems for counting all One-Stop customers. The State Board also established a Universal Access Work Group, which consists of appropriate partners from both the public and private sectors, to develop policy and capacity building related to access at the One-Stop Career Centers for persons with disabilities.

D. What policies support a demand-driven approach, as described in Part I. "Demand-driven Workforce Investment System", to workforce development – such as training on the economy and labor market data for local Board and One-Stop Career Center staff? (§§ 112(b)(4) and 112(b)(17)(A)(iv).)

The LMID's Labor Market Consultants maintain a presence in local communities and provide training, technical assistance, presentations, workshops, products, and other services to Local Boards, One-Stop Career Centers, and other workforce preparation partners. Specifically, the consultants:

- Analyze labor force and industry trends and remain familiar with the local labor market in order to be in a position to help local providers make data-driven decisions;

- Participate in One-Stop staff meetings, usually to provide information on the local economy;
- Update One-Stop staff on new labor market information or related products and services; and
- Ensure that the most current labor market information is available in One-Stop centers either through links on computers or printed publications in libraries. To accomplish this end, the consultants visit each comprehensive One-Stop Career Center at least once every year to review the publications and electronic information systems in the centers' resource rooms.

Additional resources are being made available to the field through new and improved computer access to key labor market data and presentations of CREP findings and data. The State Board's special committees are exploring new and innovative ways of collecting and disseminating economic and labor market information. The LWDA is pursuing similar goals through new and more vigorous State-level partnerships, including providing training to the education communities on how to better use and apply information that is being generated through the CREP.

E. What policies are in place to ensure that the resources available through the Federal and/or State apprenticeship programs and the Job Corps are fully integrated with the State's One-Stop delivery system? (§112)(b)(17)(A)(iv).)

As previously stated in Section V, the Governor has instituted strategic funding priorities and has continued the development of the CREP in order to ensure training resources are targeting high-growth and high-demand industries. Parallel to these two strategies, and in accord with strategies to improve partnerships and identify resource savings in order to expand training services, apprenticeship programs are critical to optimizing the resources spent on training in occupations in high-growth and high demand industries.

For example, as provided in Section IV of this plan, many skilled trades occupations are critical to California's economy and in demand over the next decade. Apprenticeship programs are a key strategic element for preparing current and future workers for these occupations, and often place workers in high-wage career paths. Additionally, Job Corps is an effective strategy to prepare young people for a number of these occupations.

The State ensures that the resources available through apprenticeship programs and the Job Corps are integrated into the local One-Stop systems by actively coordinating with those programs through representation on the State and Local Boards, as well as the SYC and local youth councils. Labor organizations, the CCCCO, the CDE, and the LWDA all play roles in the funding and operation of apprenticeship programs and training and all participate on these bodies. The Job Corps participates in those organizations, as well. As California's workforce system focuses on at-risk youth and how to upgrade the skill-level of current and future workers, the State Board will increasingly examine how to better integrate Job Corps and apprenticeship program resources in the One-Stop Delivery system.

VII. Describe the actions the State has taken to ensure an integrated One-Stop service delivery system Statewide. (§§112(b)(14) and 121).)

- A. *What State policies and procedures are in place to ensure the quality of service delivery through One-Stop Centers such as development of minimum guidelines for operating comprehensive One-Stop Centers, competencies for One-Stop Career Center staff or development of a certification process for One-Stop Centers? (§112(b)(14).)*
- B. *What policies or guidance has the State issued to support maximum integration of service delivery through the One-Stop delivery system for both business customers and individual customers? (§112(b)(14).)*

California did extensive collaborative work between 1995 and 1999 in developing and establishing its statewide One-Stop Career Center System. With the implementation of the WIA, the State assisted its 50 WIA Local Areas in redirecting and expanding their mature One-Stop systems into the systems required under the federal law.

The State, through its WIA administrative entity, the EDD, provides Regional Advisors who are assigned as liaisons with each of the Local Areas to provide technical assistance in the operation of the local One-Stop systems and the overall implementation of the WIA. The EDD's Compliance Review Division (CRD) also monitors each of the Local Areas for compliance issues and assists the Local Areas in monitoring and overseeing their local systems and providers.

The statewide One-Stop Career Center System has flourished under local flexibility and community-based innovation. Local Boards developed their own guidelines for operating local One-Stop systems and centers and for ensuring the integration and quality of services. Many Local Boards in California have developed quality-assurance systems through which they certify individual One-Stop centers. However, Local One-Stop Operators, the CWA, and Local Boards have all expressed the need for a quality assurance system at the State level that can better ensure that all One-Stop centers meet minimum, quality standards, including the effective integration of services.

For this purpose, the State Board will reconsider a State-level One-Stop certification system which entails basic standards for certification. The proposed standards were developed in partnership with State and local-level partners in California's One-Stop centers, and focus on the belief that:

- Local One-Stop environments must recognize local economic nuances while supporting the overall State economic goals;
- The local systems must continuously improve;
- Service providers are attracted as partners and integrate their services in the system because of the leveraged resources, services, and opportunities One-Stop centers provide to excel on behalf of their customers;
- One-Stop centers do not just fill employers' job openings, but develop and provide access to a pool of talent from which employers have the ability to select. One-Stop centers equip people with the knowledge, skills, and resources they need to identify and avail themselves of employment or self-employment opportunities;

- Skill acquisition is at the heart of human resource solutions for both businesses and individuals;
- Incumbent workers and future workers are important components of the labor pool that must be developed for long-term sustainability and growth of the California economy;
- One-Stop system human resource solutions include many services for employers; and
- The One-Stop system is about creating a culture and environment where employers, workers, youth, and service providers are able to maximize their talents and wealth.

C. What actions has the State taken to promote identifying One-Stop infrastructure costs and developing models or strategies for local use that support integration? (§112(b)(14).)

The EDD's JS developed and employed a cost allocation template that identifies the total costs associated with staff, and specific operating expenses and equipment items that are made available to the One-Stop centers. This template is in use in Local Areas. In terms of integration, the JS policy/procedure in support of integration follows:

- The JS operates Affiliated sites only if (1) requirements for a comprehensive One Stop center are met, (2) JS core services are universally available via three service modes, and (3) there is a Memorandum of Understanding (MOU) meeting federal requirements;
- JS field administrators and managers are authorized to be Local Board members;
- All JS services are provided through the One Stop systems;
- Collocation of JS staff is primarily at One-Stop Career Centers and JS also contracts for non-205 funds to provide employment services for targeted groups;
- CalJOBSSM, the Program Activity Support System (PASS), and the Employer Contact Management System (ECMS) are available to all partners. However, JS does not currently share job listings with other databases because the State has not adopted a single, statewide system, nor has it determined how to integrate the local systems into a statewide system. Wide Open Web hyperlinks, however, are allowed to be placed on CalJOBSSM by local partners;
- Partners are trained to use CalJOBSSM and have flexible options for sharing job listings; and
- Job Identification is coordinated with partners to avoid duplicate contacts with employers through the Employer Outreach Coordination Plan.

The EDD's WID has also developed an alternative cost allocation and resource-sharing model that removes barriers to integration and encourages partnerships. California's approach includes all costs and all partners of the One-Stop systems. By doing so, local partners can see how all resources are being used, and have informed discussions about the optimum future uses of those resources.

Neither the full integration of services nor the leveraging of funds has occurred to the degree desired in One-Stop systems throughout the State. A major reason for these challenges to collaboration and integration is the fear among prospective partners that

they will lose control of their resources. Implementing California's alternative approach to cost allocation and resource sharing would help eliminate those fears. Using this model removes the exposure of contingent liabilities caused by other partners' decisions, funding, or caseload changes. It allows partners to maintain control over their funding while providing management information on the cumulative costs and production levels of the One-Stop centers. It enables partners to see the value of partnering in real economic terms, and it encourages a collaborative business process so that limited resources are used in the most efficient and effective manner possible.

The California model, which is currently being piloted in one Local Area, attempts to recognize and quantify the value of services provided by the partner agencies. Based on this, it may provide maximum flexibility in determining what each partner will contribute to the operation of the One-Stop systems. By eliminating the fear that a particular program will be harmed by adverse actions of a partner, the California model cultivates a business environment where decisions can be based on local needs and expected return on investment. One-Stop partners can make decisions that make good business sense and optimize system outputs. The State is actively seeking approval from the DOL to utilize this new model statewide.

Finally, the State Board will undertake an exploration of local administrative, infrastructure, and core services costs. The State Board will use the resulting information to develop strategies and guidance that Local Boards can use to increase administrative and service delivery efficiencies, which may provide more funding for intensive, business, and training services.

D. How does the State use the funds reserved for Statewide activities pursuant to (§§129(b)(2)(B) and 134(a)(2)(B)(v).) to assist in the establishment and operation of One-Stop delivery systems? (§112(b)(14).)

As stated in Section I, the Governor has asked for and received a top-to-bottom review of State government. The Governor's California Performance Review (CPR) evaluated every board, commission, department, and agency in State Government and made recommendations for reorganization that would eliminate duplication and waste, and improve and expand services to Californians. The CPR also recommended principles for governance, for building partnerships, providing better service, and eliminating waste, and recommended actions relating to the public workforce system that would reduce administrative costs and redirect savings into expanded training services.

An action that the LWDA and the State Board are committed to is an exploration of California's local workforce and One-Stop Career Center systems that would provide opportunities to identify efficiencies and cost savings in order to strategically redirect savings into expanded customer services such as training and business services. This exploration may also identify strategic investment opportunities to enhance the One-Stop Delivery system in order to ensure its effectiveness in helping to improve the State's business climate and strengthen and support its global economy. The State Board's goal is for State and local partners to strategically invest public and leveraged private resources into a workforce system that exemplifies the principles recommended by the CPR.

The Governor is investing his 15 Percent Discretionary funds strategically, including investments in the improvement of the One-Stop Career Center System. For example, the Governor's investment in the CREP better ensures that the local One-Stop systems have access to relevant regional economic analysis and labor market information which is critical in developing a demand-driven system architecture. Other examples of statewide funding in support of the local One-Stop systems are that:

- Each Local Area receives a baseline of Rapid Response funding;
- The EDD provides each Local Area a Regional Advisor to provide technical assistance for the administration of their local One-Stop system;
- The EDD's LMID provides labor market information through the One-Stop centers' resource rooms (see Section IX.4. for a description);
- The EDD provides capacity building services that are available to all One-Stop system personnel on a continuous basis; and
- Governor's 15 Percent Discretionary funds SFPs provide grants to local One-Stop centers and Local Boards for system building.

E. How does the State ensure the full spectrum of assets in the One-Stop delivery system support human capital solutions for businesses and individual customers broadly? (§112(b)(14).)

As described in Section IX.A.1 and IX.C.4.a, California has begun the development of a framework that would ensure that One-Stop services in California are broad and targeted towards addressing the workforce needs of business and providing the human capital that businesses require to flourish. This objective can be accomplished through the effective integration in local One-Stop systems of workforce services which are accessible and relevant to the needs of California's local and regional communities. Most Local Boards have been developing demand-driven systems that offer various mixes of business services, including human capital solutions. With the Governor's new priorities for California's workforce system, and strategic direction adopted by the State Board, the State will develop more guidance and identify more ways to support these local efforts.

VIII. Administration and Oversight of Local Workforce Investment System

A. Local Area Designations

- 1. Identify the State's designated local workforce investment areas and the date of the most recent area designation, including whether the State is currently re-designating local areas pursuant to the end of the subsequent designation period. (§112(b)(5).)*
- 2. Include a description of the process used to designate such areas. Describe how the State considered the extent to which such local areas are consistent with labor market areas: geographic areas served by local and intermediate education agencies, post-secondary education institutions and area vocational schools; and all other criteria identified in section 116(a)(1) in establishing area boundaries, to assure coordinated planning. Describe the State Board's role, including all recommendations made on local designation requests pursuant to section 116(a)(4). (§§112(b)(5) and 116(a)(1).)*

California has 50 designated Local Areas (see Attachment I). Each of these areas was subsequently designated as a Local Area for the life of the current 5-Year Plan. The Governor plans to extend these existing designations into the next two-year period.

Of California's 50 Local Areas, 17 are "automatic" designees, while 33 are either "temporary" or "State Board recommended" designees. At the time of the original designations, the Governor issued provisional designations until such time as the State Board was appointed. Once appointed, the State Board reviewed the designations and recommended that the Governor approve them. In December 2002, after establishing policy for the subsequent designation of "temporary" and "State Board recommended" Local Areas, the State Board recommended that the Governor approve subsequent designation for these 33 Local Areas and extend their designations through the life of the existing 5-Year Plan.

In response to a local request for modification, the State Board developed a Local Area modification policy in 2004 that was subsequently adopted by the Governor. This policy and process, as well as those adopted by the State for initial and subsequent designation of Local Areas, follows the guidance in federal law and regulation, including the considerations of the criteria identified in 116(a)(1) to assure coordinated planning.

3. Describe the appeals process used by the State to hear appeals of local area designations referred to in §§112 (b)(5) and 116(a)(5).

A description of the appeals process used for initial designation can be found in Section X.E.1. of this plan.

B. Local Workforce Investment Boards – Identify the criteria the State has established to be used by the chief elected official(s) in the local areas for the appointment of local board members based on the requirements of section 117. (§§112(b)(6) and 117(b).)

In late 1999 all local chief elected officials (CEO) in California were polled on their intention to apply for a Local Area designation. Those who indicated an intent were provided with Local Area designation applications, along with the criteria necessary for them to use in the appointment of Local Board members per WIA Title I, section 117. These criteria are still in effect and are used by Local Boards in maintaining their memberships. The Governor recertifies Local Boards once every two years based on the certification criteria contained in WIA section 117(c)(2) and State policy.

C. How will your State build the capacity of Local Boards to develop and manage high performing local workforce investment systems? (§§111(d)(2) and 112(b)(14).)

Using the expertise of our State-level partners, the EDD's CBU and the CWA, training has been provided to all Local Boards. In early 2005 the CBU introduced an online WIA overview training program. Local Boards are using this online training program throughout the State to educate new board members on the intent and administration of the WIA program in California.

The State Board is committed to forging new and stronger partnerships with California's 50 Local Boards. The State Board's three special committees, for instance, each invited at least one Local Board member to participate as members of the committees. The State Board will continue to explore ways that it can better engage Local Board members in State Board meetings and activities, as well as ways that State Board members might participate in Local Board meetings and activities.

D. Local Planning Process -- Describe the State mandated requirements for local workforce areas' strategic planning. What assistance does the State provide to local areas to facilitate this process, (112(b)(2) and 20 CFR 661.350(a)(13).) including:

- 1. What oversight of the local planning process is provided, including receipt and review of plans and negotiation of performance agreements? and*
- 2. How does the local plan approval process ensure that local plans are consistent with State performance goals and State strategic direction?*

California's LMID provides a range of social, economic, and demographic data, fitted to the boundaries of each Local Board every year. These "Planning Information Packets" (PIPs) help local organizations identify target group needs and make appropriate resource allocations for employment and training activities. The PIPs are helpful to Local Boards in developing and updating their local plans. The PIPs offer information on:

- Public Assistance Recipients by program and demographic characteristics;
- Occupations with the Greatest Absolute Job Growth;
- Lower Living Standard Income Level and Poverty Guidelines; and
- Labor Force and Census based planning information, including Characteristics of Economically Disadvantaged Persons and Characteristics of Various Potential Client Groups.

The Local Boards submitted their initial strategic Five-Year local plans pursuant to the requirements outlined in WIA Section 118 and instructions provided in [WIAB99-2](#). Since then, the State has issued several supplemental guidance instructions to address the modification of the initial plans and to ensure that local plans are consistent with the Administration's vision and goals. Specifically, Local Boards are required to modify plans to address:

- Significant changes in local economic conditions,
- Changes in financing available to support WIA Title I and partner-provided WIA services,
- Changes to the Local Board structure, and
- A need to revise strategies to meet performance goals.

Local plans were last modified via Workforce Investment Act Directive ([WIAD](#)) [03-14](#)⁶. These modifications were due to the EDD no later than September 30, 2004. The EDD's Regional Advisors review the plans to ensure that they contain key

⁶ These directives are issued electronically and are available in hard-copy as well. They transmit both State and Federal policy and policy guidance. WIAD's are issued first in draft form, then finalized after a 30-day comment period. All active WIAD's referenced in this plan are available at <http://www.edd.ca.gov/wiarep/wiacom.htm>.

required elements such as the locally negotiated performance levels, updated MOUs, budget plans, and participant summaries. Once the new State Plan is approved by the DOL, the State will issue supplemental planning instructions so that Local Board plans can conform to the Governor's vision, priorities, and strategies for the statewide workforce system.

E. Regional Planning (§§112(b)(2) and 116(c))

- 1. Describe any intra-State or inter-State regions and their corresponding performance measures.*
- 2. Include a discussion of the purpose of these designations and the activities (such as regional planning, information sharing and/or coordination activities) that will occur to help improve performance. For example, regional planning efforts could result in the sharing of labor market information or in the coordination of transportation and support services across the boundaries of local areas.*
- 3. For inter-State regions (if applicable), describe the roles of the respective Governors and State and local Boards.*

California has not formally created either intra- or inter-state regions, as specified in the WIA. California has, however, participated in certain efforts to share important information among states and make that information available to workforce customers. The western states, including California, offer user-friendly labor market information data-sharing across state lines. This supports other State and local staff, workforce preparation customers in California, and customers interested in the labor markets of a number of other states. California participated in the "Workforce Informer" consortium of 22 State Labor Market Information programs that joined together to develop a common labor market information website that delivers the data in the America's Labor Market Information System (ALMIS) database. To date, fourteen states nationwide, including all the western states, have "Workforce Informer"-based websites. Customers familiar with California's www.labormarketinfo.edd.ca.gov website can find similar navigation features and content at the labor market information websites of the other states, easily exploring the labor markets of nearby states, and vice versa.

California has also encouraged and supported intra-State regions through a variety of State-led initiatives, including 15 Percent Discretionary funds SFPs. Most of California's 50 Local Areas have coalesced into informal regions for the purposes of planning and service delivery. They have done this for a variety of purposes, including meeting the needs of particular employers or industries, developing regional data systems, collaborating on projects funded through foundations or employer contributions, and in response to Governor's 15 Percent Discretionary funds initiatives such as the Nurse Workforce Initiative, which was regionally structured to provide grants to partnerships that represent multiple Local Areas. Another State initiative, the CREP, is providing vital economic and labor market information to Local Areas and is based on a regional model.

Local Boards report that most of them participate with other Local Boards in regional collaboratives that are issue-driven. Los Angeles County, for instance, is operating as a region consisting of its eight Local Areas for the purpose of marketing their One-Stop systems and services. These informal regions, however,

shift with the issues that bring them together. Santa Cruz County, for instance, is split nearly in half economically, with a southern portion that is largely agricultural and a northern portion that is largely high-tech based. Santa Cruz has joined with other adjacent agricultural neighbors in regional efforts that focus on that industry, while participating regionally with northern neighbors who share in the high-tech industry sector.

The State Board will work with Local Boards to determine if more regional planning, performance, and coordination of service delivery may potentially result in local administrative and programmatic efficiencies. Enhanced regional planning may also make it easier for Local Boards to meet the regional needs of California's economy.

F. Allocation Formulas (112(b)(12).)

- 1. If applicable, describe the methods and factors (including weights assigned to each factor) your State will use to distribute funds to local areas for the 30% discretionary formula adult employment and training funds and youth funds pursuant to §§128(b)(3)(B) and 133(b)(3)(B).*

The State will not be distributing Adult or Youth funds to Local Areas using the optional formula pursuant to Sections 128(b)(3)(B) and 133(b)(3)(B) of the WIA. California distributes the Youth funds through a standard formula [33% on the basis described in section 127(b)(1)(C)(ii)(I), 33% on the basis described in section 127(b)(1)(C)(ii)(II); and 33% on the basis described in clauses (ii)(III) and (iii) of section 127(b)(1)(C)]. California distributes Adult funds through a standard formula [33% on the basis described in section 132(b)(1)(B)(ii)(I), 33% on the basis described in section 132(b)(1)(B)(ii)(II); and 33% on the basis described in clauses (ii)(III) and (iii) of section 132(b)(1)(B)].

- 2. Describe how the allocation methods and factors help ensure that funds are distributed equitably throughout the State and that there will be no significant shifts in funding levels to a local area on a year-to-year basis.*

By using the standard formula to distribute the Adult and Youth funds allocations to the Local Areas, California will be distributing amounts using the formula prescribed and recognized by the WIA. The formula used to distribute the Adult allocations considers unemployed individuals in areas of substantial unemployment; the relative excess number of unemployed individuals in the State; and the relative number of disadvantaged adults. The formula used to distribute Youth funds will follow the first two factors for the Adult distribution but the third factor completing the Youth formula will be based upon the relative number of disadvantaged youth.

Any significant shift in funding that occurs due to changes in one or more of the factors within the formula is offset, in part, by the implementation of the "hold-harmless" provision. The "hold-harmless" guarantees that Local Areas will receive at least 90 percent of their average allocation percentages for Adult and Youth funds for the prior two years.

3. *Describe the State's allocation formula for dislocated worker funds under §133(b)(2)(B).*

For the Dislocated Worker allocation, the WIA requires that a state allocate the funds based on an allocation formula prescribed by the Governor, who may amend the formula not more than once for each program year. The formula must utilize the most appropriate information available to distribute amounts to address the state's worker readjustment assistance needs.

California will allocate funds to the Local Areas for Dislocated Worker employment and training activities using the factors as prescribed by the WIA. The EDD and the State Board will review the factors each year to confirm that the weight given each factor ensures that each Local Area receives an equitable share of the formula allocation. Any recommendation to change the existing factors will be forwarded to the Governor by the State Board. In California, the distribution has been equally weighted to the following four factors:

- Total Unemployment – 25 percent is based on the number of unemployed individuals in the Local Area in comparison to the total unemployed in all Local Areas within the State.
 - Concentrated Unemployment – 25 percent is based on the Local Area share of concentrated unemployment.
 - Long Term Unemployment – 25 percent is based on long-term unemployment, which is determined by the percentage of Unemployment Insurance (UI) claimants drawing 15 weeks or more of benefits and multiplying this by the total unemployed in the Local Area.
 - Mass Layoff Statistic – 25 percent is based on plant closing and mass layoff data. These data are determined by the percentage of mass layoff UI claimants drawing benefits, multiplied by the total UI claimants in the Local Area.
4. *Describe how the individuals and entities on the State Board were involved in the development of the methods and factors, and how the State consulted with chief elected officials in local areas throughout the State in determining such distribution.*

The standard formula allocation method for distribution of Adult and Youth funds does not require input by the State Board, CEOs, or Local Boards. During WIA implementation, both the State Board and Local Boards had opportunities to weigh in on the formula distributions. The State Board may, in consultation with Local Boards and CEOs, make policy recommendations to the Governor to adjust the manner in which the allocations are distributed to the Local Areas.

G. *Provider Selection Policies (§§112(b)(17)(A)(iii), 122, 134(d)(2)(F).)*

1. *Identify the policies and procedures, to be applied by local areas, for determining eligibility of local level training providers, how performance information will be used to determine continuing eligibility and the agency responsible for carrying out these activities.*

The State Board and the EDD developed California's Eligible Training Provider List (ETPL) in conjunction with State and local partners. The EDD's WID administers the ETPL, and the policies and procedures to be applied by the local administrative entities for determining the eligibility of training providers are delineated in [WIAD01-16](#), issued on April 15, 2002.

The State ensures that all providers and their programs on the ETPL are viable by requiring that applicants be authorized to operate within the State through a federal or State control agency. Local Boards are encouraged to evaluate performance information, particularly entered employment and completion rates, for programs to be included on the State's ETPL. The EDD Directive places the responsibility for monitoring of training sites at the local level.

California has had a waiver extending the period of initial eligibility of training providers and therefore has not implemented the Subsequent Eligibility procedures contained in [WIAD01-16](#). California has enhanced its automated ETPL system to accept and publish performance data. Ensuring informed customer choice requires good data for evaluation. The current WIA ETPL provisions make it difficult for a large, diverse state like California to insure equitable performance accountability for providers and programs. The State continues to explore a consistent and equitable method for calculation of comparable performance outcome data across training programs.

California would like to request continuation of the State's waiver of WIA Section 122 (c) through PY 2005. Please see Section X.C. for California's request to extend its ETPL subsequent eligibility waiver.

2. *Describe how the State solicited recommendations from local boards and training providers and interested members of the public, including representatives of business and labor organizations, in the development of these policies and procedures.*

California's current ETPL policy was developed in collaboration with a partner workgroup consisting of representatives from Local Areas, key State agencies, the training provider community, and other interested parties. Labor and business stakeholders had opportunities to comment at public hearings before the State Board. The final ETPL policy was heard and approved by the State Board on April 15, 2002.

3. *How will the State maintain the State's eligible training provider list?*

The EDD's WID administers the ETPL through the JTA system. The detailed policy and procedures were issued in [WIAD01-16](#). The [California ETPL](#) is available on the Internet. The general administrative process follows:

- The training provider and Local Board staff complete the required State/Local application and submit the required data through the JTA system. The Local Board is required to certify that the data provided by the training providers for initial and subsequent eligibility are complete. Local boards may make site visits to verify the viability of training providers. All training programs certified

by a Local Board for inclusion on the ETPL must be approved to operate by a State or federal education agency or by the State Bureau of Private Post Secondary Vocational Education.

- Procedures related to denial, de-listing, and appeals are outlined in Section VII of [WIAD01-16](#).
 - Within a maximum of 30 days, State staff review the application for completeness. Applications that do not meet the minimum requirements for certification are returned to the Local Board for additional information review. State staff approve complete applications.
 - Approved applications are published on the statewide Internet-based list the next business day.
4. *Describe the procedures the Governor has established for providers of training services to appeal a denial of eligibility by the local board or the designated State agency, a termination of eligibility or other action by the board or agency, or a denial of eligibility by a One-Stop operator. Such procedures must include the opportunity for a hearing and time limits to ensure prompt resolution.*

California ETPL appeal procedures are included in [WIAD01-16](#), Section VII, page 21.

5. *Describe the competitive and non-competitive processes that will be used at the State level to award grants and contracts for activities under title I of WIA, including how potential bidders are being made aware of the availability of grants and contracts. (§112(b)(16).)*

California uses the procurement law governing all State agencies (California Public Contract Code, Article 1, Section 10100 through Sections 10285.5) to award competitive and non-competitive contracts using any federal or State funds. California also uses State policy, including specific guidance and procedures regarding the State contracting process, contained in the State Contracting Manual, prepared by the Department of General Services (DGS) with assistance from the State Contracting Advisory Network, and maintained by the DGS Office of Legal Services. The State Administrative Manual is published under the authority of the Department of Finance and DGS. The primary method of competitive bidding for contracts generally is referred to as the Request for Proposal (RFP). Potential bidders are made aware of funding available for competitive bid through notification in the California State Contracts Register.

When appropriate, the State will use a form of the RFP called the SFP to distribute competitive local grants under the Governor's 15 Percent Discretionary funds. Grants will be available to public, private non-profit, and private for-profit entities through the SFP process, which will encourage the coordination of proposals with Local Boards. The availability of competitive grants will be advertised on the State Board and EDD websites, among others, and through public notices mailed to interested parties. As appropriate, bidders' conferences will be held at various locations throughout the State to clarify the requirements for bid submittal and grant awards.

California's SFP process includes:

- Notification of available funding is posted on the State Board and/or EDD websites and mailed to an interested party mailing list of over 7,000 individuals. Additionally, both the State Board and the EDD provide free e-mail subscription services. Subscribers to the EDD e-mail list receive notification announcing the latest news about programs and services online, including what's new on the EDD's website, recently added forms and publications, events, and announcements;
 - Release of the SFP to bidders and making it available via mail, e-mail, and the Internet;
 - Requesting a letter of intent from prospective bidders;
 - Bidders' conferences and grant writing workshops held throughout the State, conducted in person and through teleconferences;
 - Upon receipt of proposals, teams of federal, State, and local-level partners complete evaluation and scoring using factors given specific numeric values;
 - Scoring and comments are recorded on an evaluation rubric or scoring sheet. In the event of a significant difference in the scores between two teams, a third independent reading is done;
 - Depending on the funding category, site visits are conducted for proposals reaching a threshold score. Onsite scores are compiled and added to proposal reader scores to arrive at final scores; and
 - Staff present recommendations to the funding authority for approval.
6. *Identify the criteria to be used by local boards in awarding grants for youth activities, including criteria that the Governor and local boards will use to identify effective and ineffective youth activities and providers of such activities. (§112(b)(18)(B).)*

California's Strategic Five-Year Plan for the WIA provided guidance to Local Boards on criteria to be used in identifying effective providers and youth activities. These criteria were developed collaboratively during the original WIA planning process and are used by Local Boards as guidance in developing their own criteria for competitively awarding grants for youth activities. These criteria are listed below:

Effective activities and programs criteria:

- Capacity to conduct necessary skills and needs assessments which will assist in identifying objectives;
- Ability to provide follow-up services for 12 months;
- Proof of coordination and collaboration with local secondary and post-secondary programs;
- Proof of prior experience working with disadvantaged, special populations, and diverse demographic youth groups;
- Proof of prior experience operating education, training, and employment programs for youth;
- Plans to leverage funding with other youth funding sources;
- Demonstration of sound fiscal responsibility;

- Proof of collaboration with profit, non-profit, public, and private youth providers, as well as employers within the community;
- Identification of connections to intermediary organizations linked to the job market and employers;
- Ability to provide youth services that directly respond to needs identified by a community;
- Innovative youth program design;
- Connection with the local One-Stop Career Centers; and
- Safe and easily accessible locations that comply with the Americans with Disabilities Act.

Effective youth provider criteria:

- Demonstrate acceptable performance;
- Include parents in customer satisfaction with services for youth age 14-18;
- Involve family members in determining service needs;
- Develop relationships between youth and mentoring adults;
- Provide strong case management to track program outcomes;
- Provide advocacy and support to minimize barriers to the success of youth;
- Assist clients with the skills to be self-sufficient;
- Maintain fiscal responsibility;
- Demonstrate prior success in involving local businesses and the employers in the education and training services provided to youth;
- Demonstrate that the program can provide new and innovative training;
- Provide comprehensive guidance and counseling;
- Provide accommodations for special-needs populations;
- Provide outreach services to school dropouts and out-of-school youth; and
- Establish high expectations.

Beyond the current criteria that Local Boards and their youth councils use in identifying effective youth providers and activities, the DOL's new strategic vision recognizes that out-of-school youth (and those most at risk of dropping out) are a vital segment of the new workforce. It notes that WIA-funded Youth programs must provide youth with quality secondary and postsecondary education and prepare them for entry into positions in high-growth industries and other employment opportunities.

As both the DOL and California develop their new youth vision, additional criteria and guidance for Local Boards and their youth councils are likely to be identified. These additional criteria, when developed, will emphasize service in four specific areas: alternative education; meeting the demands of business in a high-growth economy; youth most in need; and improved performance (based upon the national implementation of simplified, common measures).

H. One-Stop Policies (§112(D)(14).)

1. *How will the services provided by each of the required and optional One-Stop partners be coordinated and made available through the One-Stop system.*

Include how the State will consolidate Wagner-Peyser Act funds to avoid duplication of core services. (§112(b)(8)(A).)

California's strategy to ensure services are provided by each of the required and optional One-Stop partners through local One-Stop systems will be discussed in Section IX.A.1., "One-Stop Delivery Strategies." The EDD's JS has provided guidance and technical assistance to ensure that Wagner-Peyser services are delivered through local One-Stop systems in ways that minimize duplication of services and costs. As a part of the Governor's vision and priorities for the workforce system in California, however, the State Board is committed to exploring ways to maximize the amount of public and private workforce resources that are expended on training in demand occupations in industries vital to the States economy. Improving intergovernmental relations, forging stronger partnerships, and strategically targeting both public and private resources are Governor's priorities that are guiding the State Board as it explores issues such as how to better align Wagner-Peyser funding with WIA Title-I funds to avoid the duplication of core services.

2. *Describe how the State helps local areas identify areas needing improvement and how technical assistance will be provided.*

The EDD and the State Board assist Local Boards in identifying areas needing improvement through fiscal and compliance monitoring and the deployment of EDD's Regional Advisors, who act as technical assistance liaisons with every Local Area in California. When improvement areas are identified through monitoring, they are communicated to the Regional Advisors, who then provide technical assistance to the Local Areas and assist the Local Areas in developing and implementing corrective action strategies. Technical assistance is also provided through information bulletins and guides such as the *WIA Title I Eligibility Technical Assistance Guide*.

The EDD's WID offers capacity building and technical assistance through their website, information bulletins, the CBU, a Local Area Administrator's group, and various other workgroups that are formed to resolve issues around critical program and administrative areas in the WIA. The State Board and the EDD are committed to continually improving State-level technical assistance and capacity building.

3. *Identify any additional State mandated One-Stop partners (such as TANF or Food Stamp Employment and Training) and how their programs and services are integrated into the One-Stop Career Centers.*

California has not mandated additional One-Stop partners, although an important optional partner that participates in nearly of all of the local One-Stop systems is the TANF program (CalWORKS in California) that is operated locally by County Welfare Departments. This participation of CalWORKS in local One-Stop systems dates back to California's original One-Stop systems building effort starting in 1995, and was enhanced considerably with the 1997 Welfare-to-Work Grant Program. The County Welfare Departments have reportedly invested some \$170 million in One-Stop systems statewide, and in most Local Areas have successfully integrated programs, customers, and staff into the One-Stop centers.

- I. Oversight/Monitoring Process -- Describe the monitoring and oversight criteria and procedures the State utilizes to move the system toward the State's vision and achieve the goals identified above, such as the use of mystery shoppers, performance agreements. (§112(b)(14).)*

The EDD's CRD conducts annual on-site reviews of each Local Area's administration of its 85-percent formula funded programs for compliance with programmatic and administrative requirements of the WIA. In addition, the CRD conducts on-site reviews of the WIA 15 Percent and 25 Percent discretionary funded projects. These projects are monitored on a sample basis based on the level of risk as determined by the amount of the award and historical data such as operational experience and prior noncompliance issues. In addition to the monitoring process of 15 and 25 Percent projects, the State is using a Nondiscrimination and Equal Opportunity Self-Evaluation process to monitor for compliance with WIA Section 188 and 29 CFR Part 37 equal opportunity and nondiscrimination provisions. The EDD's Equal Employment Opportunity Office also conducts reviews of selected One-Stop sites.

The EDD's CRD administers the self-assessment tools and performs desk reviews of the completed self-assessments to determine if the responses demonstrate compliance with federal requirements. Reports are issued to the Local Areas identifying concerns, for which Local Areas must submit corrective action plans. These corrective action plans are then tracked by the CRD for implementation. For each of the ten Local Areas selected for review, a representative sample of their One-Stop Career Centers will also be selected for review.

Representatives from the EDD's JS Branch, Fiscal Programs Division, and Unemployment Insurance Branch (UIB) review the Trade Program. The agreed-upon process includes a review of paper documents pulled on a random schedule; UIB-documented review results issued to the JS Branch; and, if responses warrant corrective action, the JS Branch follows up with a corrective action plan. This review is performed on a quarterly basis and is part of the mandatory DOL tripartite review process.

- J. Grievance Procedures. (§§122(g) and 181(cc).) Attach a copy of the State's grievance procedures for participants and other affected parties (including service providers.)*

The State issued [WIAD03-12](#), *Grievance and Complaint Procedures* on April 14, 2004. This directive provides guidance to Local Areas and subrecipients of the WIA Title I grant funds in the development, maintenance, and implementation of local-level grievance and complaint procedures. These procedures cover complaints alleging non-criminal violations of the requirements of the WIA in the operation of local WIA programs and activities. It also transmits policy governing WIA Title I related grievance and complaint procedures at the State level.

K. Describe the following State policies or procedures that have been developed to facilitate effective local workforce investment systems (§§112(b)(17)(A) and 112(b)(2).)

1. State guidelines for the selection of One-Stop providers by local boards;

Due to diverse economic, demographic, geographic, and political composition of California's 50 Local Areas, the State Board has left decisions on the choice of One-Stop Operators to each of the 50 Local Boards. The Local Boards follow the guidelines in the WIA Section 121 (d) (1 & 2) in selecting their One-Stop Operators. The State provided technical assistance on the selection of One-Stop Operators via State and local-level workshops, early WIA implementation policy adopted by the original One-Stop Task Force, and an implementation team of grant managers to assist with One-Stop system-building.

2. Procedures to resolve impasse situations at the local level in developing memoranda of understanding (MOUs) to ensure full participation of all required partners in the One-Stop delivery system;

In an effort to address the primary source of disagreement regarding finalization of MOUs (agreements regarding funding of One-Stop operational costs), the State has encouraged local participation in the DOL's training seminars on One-Stop financial management and has promoted DOL-contracted technical assistance focused on this subject. The EDD's Regional Advisors have assisted and will continue to assist in the local negotiation processes. In addition, State staff have worked with both regional and national DOL staff to develop an alternative resource-sharing model which one Local Area has implemented and which the State hopes to offer to other Local Areas. Regional DOL staff have been very supportive of this effort and have pledged resources to help expand the awareness and use of this approach.

In order to ensure that Local Areas comply with the notification and sanction provisions specified in 20 CFR 662.310 (b) and (c), the State is issuing a directive that reminds Local Areas and their required One-Stop partners of their responsibility, in the event of non-signature of an MOU, to inform the State Board and the State agency responsible for administering the partner program. The directive also addresses the sanctions provided in the WIA regulations for failure to execute an MOU. The State will ensure that future impasse notifications are conveyed to the DOL and other appropriate federal agencies.

3. Criteria by which the State will determine if local Boards can run programs in-house;

The State published the policy and procedures for Waiver of Training Prohibition to the Local Boards in February 2000. The policy prohibits Local Boards from providing training services for adults and dislocated workers without a written waiver from the Governor. Local Boards may provide training services only for a specific training program, such as welding. Blanket waivers to provide training services are not granted.

The following describes the minimum information required to request a training waiver:

- Program of Training – The Local Board must specify the training program for which the waiver is requested. All requests for training waivers must include the local WIA plan.
 - Insufficient Providers – Evidence of insufficient number of eligible providers of such a program of training services to meet local demand in the Local Area.
 - Eligible Training Provider – Evidence that the Local Board meets the requirements for an eligible provider of training services under the WIA Section 122 and established State policies.
 - Demand Occupation – Information that the program of training prepares participants for an occupation that is in demand within the Local Area.
 - Public Comment – The Local Board has made the waiver request available for a public comment period of not less than 30 days.
 - Copies of Comments – Copies of public comments received during the public comment period must accompany the waiver request.
 - The waiver request must be signed by the CEO or designated representative and submitted to the State Board.
4. *Performance information that on-the-job training and customized training providers must provide;*

As allowed under the WIA Section 122(h)(1), the Governor has excluded OJT and customized training providers from the requirements of the ETPL. The Governor has not established separate data collection requirements for these providers.

5. *Reallocation policies;*

In California, the policy for the reallocation of WIA funds is provided to Local Areas through written directives issued by the EDD. These directives provide background for the reallocation requirements of the WIA and provide examples and instructions on the recapture and reallocation processes. These directives also address the effects the recapture of funds will have on the administrative funds maintained in the Local Area.

6. *State policies for approving local requests for authority to transfer funds (not to exceed 20%) between the Adult and Dislocated Worker funding streams at the local level;*

California's policy for the transfer of WIA funds (not to exceed 30 percent) between the Adult and Dislocated worker funding streams was established based on a series of TEGLs issued by the DOL. In accordance with these TEGLs, the EDD has issued directives to the Local Areas advising them of the latest policy and procedures required for administering or requesting a transfer between the two funding streams.

7. *Policies related to displaced homemakers, nontraditional training for low-income individuals, older workers, low-income individuals, disabled individuals and others with multiple barriers to employment and training;*

The State policy, issued in California's *WIA Title I Eligibility Technical Assistance Guide*, gives authority to Local Boards to develop and implement local policy guidance, procedures, and definitions targeting services to special participant populations such as displaced homemakers, nontraditional training for low-income individuals, older workers, low-income individuals, and others with multiple barriers to employment and training. The local policy must be consistent with State and federal policy. Limitations on funding may also require that Local Boards establish policies regarding priority of service to specific population groups within the low-income and public assistance recipient categories. Such priority of service policy is included in local plans.

The State has additionally developed specific policy and initiatives for some of the groups to which the question refers. For example, the EDD and CDE collaborated on an information bulletin, [WIAB03-46](#), that provides information about Adult Education and Family Literacy program providers at the local level. Other examples include ensuring that persons with disabilities have equal access to information and services funded by WIA Title I programs and its partners through the following policy directives:

- [WIAD01-21](#), *Nondiscrimination and Equal Opportunity Procedures*, that establishes the State's policy on the nondiscrimination and equal opportunity procedures for WIA Title I financially assisted programs or activities;
- [WIAD02-15](#), *Physical and Program Access Self Assessment*, that communicates the requirements regarding compliance with State and federal disability laws and procedures for ensuring accessible physical environments for all customers, including individuals with disabilities; and
- [WIAD00-7](#), *Standards for Oversight and Instructions for Substate Monitoring*, that transmits the general standards for the Local Boards' oversight responsibilities pertaining to WIA Title 1 funded programs.

Another general State policy is to develop and support public/private partnerships to increase coordination of efforts that assist older workers and other special populations. For example, the EDD established a Senior Worker Advocate Office (SWAO) which is required to develop partnerships to facilitate the employment of older workers. The SWAO works with the One-Stop Career Centers, the Senior Community Service Employment Program (through California's Department of Aging), area Agencies on Aging, adult education, and community colleges to improve access for older adults to help them obtain the support services and training they need to remain in or to re-enter the workforce. Some of the partnerships/activities supported by the SWAO include: employment assistance referrals; job development; Older Worker Week Job Fairs; One-Stop staff training; California Career Planning; and Experience Unlimited Job Clubs.

8. *If you did not delegate this responsibility to local boards, provide your State's definition regarding the sixth youth eligibility criterion at section 101(13)(C)(iv) ("an individual who requires additional assistance to complete an educational program, or to secure and hold employment"). (§§ 112(b)(18)(A) and 20 CFR 664.210).)*

The State delegates the responsibility to Local Boards to define the sixth youth eligibility criterion in their local WIA plans, based on local needs.

IX. Service Delivery -- Describe the approaches the State will use to provide direction and support to local Boards and the One-Stop Career Center delivery system on the strategic priorities to guide investments, structure business engagement, and inform service delivery approaches for all customers. (§112(b)(17)(A).) Activities could include:

A. One-Stop Service Delivery Strategies: (§§112(b)(2) and 111(d)(2).)

1. *How will the services provided by each of the required and optional One-Stop partners be coordinated and made available through the One-Stop system? (§112(b)(8)(A).)*

California's Two-Year Plan development process included extensive discussions with One-Stop representatives and State- and local-level One-Stop partners. A recurring issue in these discussions is that State-level agency coordination is a matter vital to ensuring the statewide One-Stop Career Center System maintains the necessary mix of partner programs and services that meet the needs of workers and businesses throughout the State. Better coordinating partner programs at the State level is necessary to minimize local barriers to program coordination and integration, and to maximize the use of public resources. This is consistent with the Governor's key priorities for California's public workforce system, which include:

- Improving State and local government partnerships to maximize the use of public and private resources and to direct savings into improved and expanded services such as workforce training; and
- Increasing State and local partnerships and linkages between the education, workforce, and economic development systems.

Along with better State-level coordination, the State Board will take steps to ensure that California, through its network of local One-Stop systems, addresses the needs of workers and of businesses. Included in these steps will be:

- Providing local planning guidance that assists Local Boards in facilitating linkages among partner programs and systems;
- Ensuring State- and local-level accountability by guiding outcome-based linkages among partner programs and systems; and
- Developing cost sharing options and service integration strategies that will optimize the administrative expenditures of WIA funds while better supporting One-Stop infrastructure and expanded business services and training.

2. *How are youth formula programs funded under (§128(b)(2)(A).) integrated in the One-Stop system?*

In California's locally-driven workforce system, the Local Boards, in partnership with their local youth councils, develop and enhance relationships with local agencies and service providers to ensure that necessary services are available to eligible youth through their One-Stop systems. Local Boards are also encouraged to work in conjunction with their CEOs to appoint a comprehensive array of representatives from local youth service providers, parents, supportive service organizations, and other interested parties to their local youth councils.

All 50 of California's Local Boards have ensured that WIA Youth programs are integrated into their One-Stop systems. The degree of integration varies from Local Area to Local Area, as does the nature of integration. Some Local Boards have established standalone youth One-Stops, while others have integrated youth services into their comprehensive One-Stops. Youth services are also accessible through the One-Stop systems via Internet-based programs and effective information and referral between physical centers.

3. *What minimum service delivery requirements does the State mandate in a comprehensive One-Stop Centers or an affiliate site?*

Comprehensive One-Stop Career Centers in California provide access to a full range of services pertaining to employment, training, education, employer assistance, and guidance for obtaining other assistance. While the WIA requires One-Stop centers to provide specific services, California's Local Areas have the option to design programs and provide services, including services to businesses and employers, that reflect the unique needs of their communities.

One-Stop centers use varied strategies in providing the appropriate services to meet the needs of their customers:

- Core Services are available and include, but are not limited to, labor market information, initial assessment of skill levels, and job search and placement assistance.
- Intensive Services are available to eligible unemployed individuals who have completed at least one core service, but have not been able to obtain employment, or employed individuals needing additional services to obtain or keep employment that will lead to personal self-sufficiency.
- Training Services are available to eligible individuals who have met the requirements for intensive services and have not been able to obtain or keep employment. Individual Training Accounts (ITA) are established to finance training based upon the individual's choice of selected training programs.

The following list represents standard One Stop Career Center services for job, education, and training seekers in California:

- Outreach, intake, and orientation;
- Initial assessments of skills, aptitudes, abilities, and need for support services;

- Program eligibility determination;
- Information on employment statistics, job vacancy listings, the ETPL, supportive services, and UI filing instructions;
- Resource room usage;
- Access to the Internet;
- Workshops and Job Clubs;
- Employment Plan development;
- Career counseling;
- Job Development and job placement;
- Work adjustment counseling and guidance;
- Comprehensive and specialized assessments;
- Case management;
- Short-term pre-vocational services;
- Post-employment counseling and guidance follow-up services;
- Occupational skills training;
- Workplace training and cooperative education programs;
- Private sector training programs;
- Skills upgrade and retraining;
- Entrepreneurial training;
- Job readiness training;
- Adult education and Literacy activities, alone or in combination with training; and
- Customized training.

4. *What tools and products has the State developed to support service delivery in all One-Stop Centers Statewide?*

California recognizes that its labor market information system is central to implementing a demand-driven workforce system. To support quality services through the local One-Stop systems, California provides a user-friendly labor market information system for use by job seekers, program administrators, economic developers, and researchers. This system provides print and on-line products, as well as personal services to ensure that the One-Stop Career Center System and its customers have the information they need. One-Stop Career Centers each have resource rooms that serve as the nexus of information delivery to customers. California encourages resource room operators in all of the comprehensive One-Stop Career Centers to make the primary workforce information website, www.labormarketinfo.edd.ca.gov, the labor market information delivery system on the center's personal computers.

The EDD's LMID provides staff services through Local Labor Market Consultants and through a centralized call center. In October 2004, the LMID's out-stationed staff started an annual review of the electronic and print products available at each One-Stop Career Center's resource room. This annual review will help ensure that the One-Stop Operators understand the array of electronic and print labor market information products available to them and so they can easily guide customers through finding and using those materials.

Along with the website and the printed materials, the Local Labor Market Consultants offer first-line dissemination of labor market information and technical assistance to Local Boards and One-Stop centers, helping them understand the changing skill and economic needs in their communities. With this information, Local Boards are better prepared to meet the local employers' skill needs by funding training for occupations that are in high demand in that area. Without an understanding of this industry/occupational data, the Local Boards are limited in their ability to measure the actual need.

The EDD provides many other Internet-based tools that support service delivery in and through all of California's One-Stop Career Centers. One such tool is CalJOBSSM, California's basic labor exchange system. Other examples are the best practices information, announcements of funding availability, special projects information, and access to information bulletins and directives through the EDD's WID website.

5. *What models/templates/approaches does the State recommend and/or mandate for service delivery in the One-Stop Centers? For example, do all One-Stop Centers have a uniform method of organizing their service delivery to business customers? Is there a common individual assessment process utilized in every One-Stop Center? Are all One-Stop Centers required to have a resource center that is open to anyone?*

A template that the State has used throughout WIA implementation for guiding service delivery in the One-Stop Career Centers is the *WIA Title I Eligibility Technical Assistance Guide*, which was originally developed by a team of State and local partners. This guide, which is updated as necessary, provides State policy as well as blank sections in which Local Boards can insert more specific local policy. The State also provided extensive guidance to Local Areas when they were initially developing their One-Stop systems prior to the WIA, as well as a re-issuance of that guidance during the implementation of the WIA. As one result of these system-building efforts, all comprehensive One-Stop Career Centers have resource rooms, although they are not required.

During the next two-year period, the State Board will consider completing work, in collaboration with State and local partners, on a new State-level One-Stop Certification system. This system, if implemented, will be voluntary and based on quality and incentives, with Local Boards certifying their own One-Stop centers along State standards and guidelines. This system would provide new guidance and a basic level of uniformity throughout the statewide One-Stop Career Center System, which would result in standardization in the following areas of service delivery:

- Basic criteria for One-Stop facility features;
- Basic resource area criteria (e.g., accessibility);
- Basic service criteria for employers and job seekers;
- Basic criteria for collaboration with mandated partners;
- Basic and expanded business services; and
- Guidance regarding common tools, such as individual assessments.

B. Workforce Information – A fundamental component of a demand-driven workforce investment system is the integration and application of the best available State and local workforce information including, but not limited to, economic data, labor market information, census data, private sources of workforce information produced by trade associations and others, educational data, job vacancy surveys, transactional data from job boards, and information obtained directly from businesses. (§§111(d)(8), 112(b)(1), and 134(d)(2)(E).)

- 1. Describe how the State will integrate workforce information into its planning and decision making at the State and local level, including State and local Boards, One-Stop operations, and case manager guidance.*

California's workforce information system offers a wide range of information and support to the State and Local Boards, One-Stop Operators, and case managers to support planning and decision-making. On an annual basis, the LMID provides PIPs which deliver State and local social, economic, and demographic data to the State and Local Boards. These PIPs help workforce organizations identify target group needs and make appropriate resource allocations for employment and training activities. In addition, on an "as requested" basis, the State's labor market information program provides Local Areas with employment, census, and/or labor force data to facilitate more specific planning or economic development needs. This includes customized data runs, maps, and local consultation services.

- 2. Describe the approach the State will use to disseminate accurate and timely workforce information to businesses, job seekers, and employment counselors, in easy to use formats that are readily accessible within One-Stop Career Centers and at remote locations such as libraries, schools, worksites, and at home.*

California's workforce information system offers user-friendly on-line, in-print, and personal support services to assist customers, including businesses, job seekers and other professionals such as employment counselors, regardless of the setting. The LMID's website provides all available workforce information to customers on-line, 24/7, regardless of one's setting. To make it easier for people to use the site, customer-based portal pages point people to the information they typically need, thus limiting "information overload." The LMID has designed special portal pages for economic developers, schools, workers, businesses, job seekers, researchers, workforce partners, and EDD staff.

The LMID provides personal support for using any of its products and services through their Local Labor Market Consultants situated throughout the State, as well as through a centralized public information call center that responds to telephoned or e-mailed information requests. Analyses and interpretations of data are available in print and/or on-line publications and articles that can be easily downloaded and printed. Regardless of one's location or information need, workforce information is readily available to facilitate informed decisions.

3. *Describe how the State's Workforce Information Core Products and Services Plan is aligned with the WIA State Plan to ensure that the investments in core products and services support the State's overall strategic direction for workforce investment.*

The LMID has aligned California's Workforce Information Core Products and Services Plan with the current 5-Year Strategic Plan, supporting the overall strategic direction for workforce investment. The grant plan was designed, as well, to respond to the State Board's strategic direction, in which workforce information was a primary goal. Workforce information is the key to supporting informed choice in the workforce system. The State's core products and services are directly responsive to the needs of the workforce system and the State will:

- Continue to populate the ALMIS database – the database is the back end to a comprehensive workforce information website, ensuring the most current and relevant information is available to customers via the Internet;
- Produce and disseminate short- and long-term industry and occupational employment projections – projections reflect industry and occupational trends, essential to career and program planning;
- Provide occupational and career information products for public use – targeted career research currently underway and sponsored by this grant supports business' recruitment efforts, and workforce developers' training program planning, and is specifically focused on occupations in High Growth Job Training Initiative industries;
- Ensure workforce information and support – this portion of the grant provides a wide range of products and services endorsed by the State Board, including public information services; customer outreach and marketing; labor market research; collecting and delivering employment data not sponsored by the BLS – agricultural and small counties; and providing geographic information system services;
- Maintain and enhance Internet delivery systems – supports development and maintenance of three customer focused Internet web-sites: www.labormarketinfo.edd.ca.gov , www.calmis.ca.gov and www.worksmart.ca.gov , as well as one intranet website. In addition, the staff involved in these delivery systems support a customer database that is maintained on the intranet; and
- Support state workforce information training activities – provides customized training and consultation as needed, as well as customer focused portal pages and an on-line website tour.

4. *Describe how State workforce information products and tools are coordinated with the national electronic workforce information tools including America's Career Information Network and Career Voyages.*

California's workforce information websites include articles about the national tools as well as links to *ACINet*, *Career Voyages*, and *America's Job Bank*. In addition, California has developed a marketing brochure, *Tools for Career Exploration*, which lists and describes local, State, and national career tools in an attractive

matrix that is available both in print as well as a linked version on-line. The national tools are highlighted on this product.

C. Adults and Dislocated Workers

1. Core Services. (§112(b)(17)(a)(i).)

- a. Describe State strategies and policies to ensure adults and dislocated workers have universal access to the minimum required core services as described in §134(d)(2).*

An important State strategy that ensures universal access for all adults and dislocated workers to required core services through the local One-Stop systems has been to make core services, such as Wagner-Peyser services, increasingly available through self-access, principally as Internet-based programs. California is also improving universal access by recommending policies to promote awareness and identification of the One-Stop Career Centers, including developing a way to uniformly identify One-Stop systems and centers.

Recently, the GCEPD has assumed a policy advisory role with the Governor, his administration, and the State Legislature. The GCEPD has staff in EDD's Workforce Development Branch that focus on the policy and programmatic needs to ensure that people with disabilities have access to public workforce system services, including core, or universal services.

Moreover, as described in other areas of the State Plan, California has taken various measures to ensure universal access to One-Stop services, such as forming the Universal Access work group, Farm Worker Forums, facilitating and advocating for the integration of faith-based and community-based organizations, and local piloting of universal access tracking. These efforts will continue, and the other described strategies will be pursued, as California further develops a demand-driven system by ensuring that all Californians having access to One-Stop universal, core services and are placed in jobs in industries vital to California's economy.

- b. Describe how the State will ensure the three-tiered service delivery strategy for labor exchange services for job seekers and employers authorized by the Wagner-Peyser Act include (1) self-service, (2) facilitated self-help service, and (3) staff-assisted service, and are accessible and available to all customers at the local level.*

California designed its core service delivery system around the three-tiered service delivery strategy. The EDD's JS ensures the strategy by co-locating where the majority of customers do business and by improving automated systems such as CalJOBSSM, California's job-opening matching system. The JS actively promotes and markets the option of self-service to all customers. This allows JS staff to work in One-Stop resource rooms to provide facilitated self-help, and to conduct group workshops where customers have access to facilitated or staff-assisted service. Staff-assisted service is available to anyone that is unable or unwilling to use self-service. In addition, the JS supports

bilingual staff to provide translation assistance to anyone with limited English skills, including deaf and hard of hearing. The service is available either in-person or by telephone.

- c. *Describe how the State will integrate resources provided under the Wagner-Peyser Act and WIA Title I for adults and dislocated workers as well as resources provided by required One-Stop partner programs, to deliver core services.*

The EDD's JS integrates labor exchange activities with WIA Title I services by strategically locating service points in at least a single comprehensive One-Stop Career Center in each Local Area, and in affiliated One-Stop locations based on community need. Rents and leases are negotiated (based on local need, local resource sharing agreements, and memoranda of understanding) with Local Boards and partners to document specific provisions of service. The agreements define the roles and responsibilities of partners, identify joint planning for the provision of services to common customers and development of projects that serve identified community needs, and ensure coordination of employer job identification efforts.

JS Field Managers, Regional Administrators, and Division Chiefs are authorized to participate on Local Boards and to act as One-Stop Career Center Operators. This helps to ensure the integration of Wagner-Peyser Act services into the local systems. In addition, this JS leadership helps to address other issues related to system integration, collaborative marketing, capacity building, services and staffing, accountability, universal access, and administrative decisions.

2. *Intensive Services. (§112(b)(17)(a)(i).) Describe State strategies and policies to ensure adults and dislocated workers who meet the criteria in §134(d)(3)(A) receive intensive services as defined.*

California's Local Boards all provide employment and training activities as required under WIA sections §134(d)(3)(A). The statewide provision of intensive services is built on the principle of informed customer choice and provides an opportunity for customers to make informed choices about services available, allowing access to the full range of education, training, and employment services. Local Boards follow the *WIA Title I Eligibility Technical Assistance Guide*, issued by the EDD to guide the provision of core, intensive, and training services. The EDD also provides training and technical assistance to all Local Areas and One-Stop centers that require it. Finally, the State Board develops and issues separate guidance, as necessary, such as a WIA information bulletin that clarified the provision of intensive and training services to farmworkers as Dislocated Workers.

3. *Training Services. (§112(b)(17)(A)(i).)*

- a. *Describe the Governor's vision for increasing training access and opportunities for individuals including the investment of WIA Title I funds and the leveraging of other funds and resources.*

The Governor's overall vision for California's workforce system, as described in Section I, includes the requirement for the State and Local Boards to improve at:

- Targeting resources to areas with the most economic impact; and
- Achieving a more efficient use of public and private resources.

Both of these improvements will have an influence on training access and opportunities for California's citizens. The Governor has already directed the use of 15 Percent Discretionary funding to increase training access and opportunities for individuals in the three areas of high-wage, high-growth occupations; advancing workers with barriers to employment; and industries with statewide labor shortages. By investing discretionary funding in these areas critical to California's economy, the Governor is stimulating similar investments at the local level. Investments of 15 Percent Discretionary funds through SFPs, for instance, have enhanced partnerships between One-Stop systems, Local Boards, regional and community organizations, labor organizations, industry or employer associations, employers, and educational institutions.

More effective partnerships of this type can result in value-added resource leveraging. Local Boards and their One-Stop centers are well positioned to convene industry and employer associations, employers, and training entities to best identify current and future employer or industry skill needs in the Governor's three priority areas, to develop relevant training curriculum, and to leverage funding. One-Stop systems connect individuals to relevant and cost effective education, training, and supportive services opportunities by leveraging resources through partnerships. Using the knowledge gained from the partnerships, One-Stop providers help individuals to access the various sources of training and support services.

These objectives will expand California's capacity and effectiveness in training the current and future workforce. In addition, California's workforce-related departments and agencies will optimize coordination and communication, and strategically share and invest their resources to eliminate duplication and waste at both the State and local levels.

b. *Individual Training Accounts:*

- What policy direction has the State provided for ITAs?*
- Describe innovative training strategies used by the State to fill skills gaps. Include in the discussion the State's effort to broaden the scope and reach of ITAs through partnerships with business, education, economic development, and industry associations and how business and industry involvement is used to drive this strategy.*

- iii. Discuss the State's plan for committing all or part of WIA Title I funds to training opportunities in high-growth, high-demand and economically vital occupations.*
- iv. Describe the State's policy for limiting ITAs (e.g., dollar amount or duration)*
- v. Describe the State's current or planned use of WIA Title I funds for the provision of training through apprenticeship.*
- vi. Identify State policies developed in response to changes to WIA regulations that permit the use of WIA Title I financial assistance to employ or train participants in religious activities when the assistance is provided indirectly (such as through an ITA) (20 CFR § 667.266(b)(1).)*

California's demand-driven workforce investment system provides for maximum local flexibility in the administration of Individual Training Accounts. This affords Local Boards control over determining their training needs based on local business and industry input. Each Local Board is responsible for developing their policies pertaining to:

- Limiting the dollar amount or duration of ITAs, and
- Identifying the appropriate occupational training.

Local flexibility over ITAs has produced innovative local training programs such as the Orange County Workforce Investment Board's pre-apprenticeship training program. This training program was developed to prepare hard-to-serve, financially challenged clients (e.g., former welfare recipients) for placement in apprenticeship training programs.

The Governor supports the national goal of directing more funding to training by identifying and implementing administrative and program efficiencies at both the State and local levels. California's goal is to optimize the number of individuals trained in occupations that are in demand by industries that are vital to California's economy. The State Board will explore other innovative recommendations, particularly as they relate to the development of high-wage, high-growth jobs and the redirection of funding into training services over the course of the next two years of WIA implementation in California.

- c. Eligible Training Provider List. Describe the State's process for providing broad customer access to the statewide list of eligible training providers and their performance information including at every One-Stop Career Center. (§112(b)(17)(A)(iii).)*

To ensure maximum public access and full support to the One-Stop Career Centers for both employers and job seeker customers, [California's ETPL](#) is available through the Internet. This is a full public access site. Customers interested in training information may quickly search the list by provider or program name, community location, and occupation. Also, for easy access, the ETPL site includes a sub-list of WIA-approved apprenticeship programs. Changes to the system are transferred to the Internet site from the JTA system on a daily basis.

- d. *On-the-Job (OJT) and Customized Training (§§112(b)(17)(A)(i) and 134(b).)*
Based on the outline below, describe the State's major directions, policies and requirements related to OJT and customized training.
- i. *In a narrative format, describe the Governor's vision for increasing training opportunities to individuals through the specific delivery vehicles of OJT and customized training.*
 - ii. *Describe how the State:*
 - *Identifies OJT and customized training opportunities;*
 - *Markets the concept as an incentive to untapped employer pools including new business to the State, employer groups;*
 - *Partners with high-growth, high-demand industries and economically vital industries to develop potential OJT and customized training strategies;*
 - *Taps business partners to help drive the strategy through joint planning, competency and curriculum development; and determining appropriate lengths of training, and*
 - *Leverages other resources through education, economic development and industry associations to support OJT and customized training ventures.*

The State itself does not conduct any of the activities for OJT and customized training described in these questions. California's workforce system is locally-driven and community-based, and the identification, leveraging, and marketing of OJT and customized training opportunities are activities in which Local Boards engage. The State, however, provides guidance to Local Boards, as needed, on the various aspects of OJT and customized training.

One of the Governor's priorities for the workforce system, however, is to direct more public and private resources into training services. Optimizing the use of OJT and customized training is one method of achieving that priority. Consequently, the State Board will develop policy guidance for Local Boards, based in part on local innovation, regarding OJT and customized training in an effort to:

- Expand partnerships with the private sector to identify OJT and customized training opportunities;
- Market this concept to employers to remain in California or for those employers planning to move here;
- Employ business partners to drive strategies to develop local OJT and customized training programs; and
- Perform resource mapping to identify resources that can be leveraged to develop and expand OJT and customized training programs locally.

4. *Service to Specific Populations. (§112(b)(17)(A)(iv).)*
- a. *Describe the State's strategies to ensure that the full range of employment and training programs and services delivered through the State's One-Stop delivery system are accessible to and will meet the needs of dislocated workers, displaced homemakers, low-income individuals such as migrants and seasonal*

farmworkers, women, minorities, individuals training for non-traditional employment, veterans, public assistance recipients and individuals with multiple barriers to employment (including older individuals, people with limited English-speaking proficiency, and people with disabilities.)

Effective Local Boards and their local One-Stop service delivery systems are central to ensuring that California's business and industry have access to an appropriately and continuously prepared workforce. They do so by assisting the State's diverse population in preparing for and accessing occupations that are in demand and in industries that are vital to California's economy. The State's demographic diversity is among its greatest assets, yet such diversity presents unique challenges that often result in barriers that may exclude many segments of the population from achieving self-sufficiency.

California has numerous strategies in place to address these challenges. For instance, the GCEPD has been charged through State legislation with the leadership responsibility of developing a comprehensive strategy to bring adults with disabilities into gainful employment at a rate equal to the general population. The GCEPD collaborates with and advises the State Board on Local Area compliance with WIA universal access and non-discrimination requirements to ensure the delivery of the full range of employment and training programs and services, including the Ticket to Work program, to customers with disabilities through the One-Stop Career Center system. The State Board has identified a number of additional strategies that the State and Local Boards will consider pursuing to improve both access and services to those with significant barriers to employment and/or self-sufficiency. These strategies include:

- The State Board continuing to develop and provide guidance to Local Boards on prioritizing services (e.g. business services, skills training) in their One-Stop systems;
- The LWDA and the State Board, in collaboration with Local Boards, are planning an exploration of WIA administrative, infrastructure, and core services costs in the Local Areas. Results will assist the State Board in identifying any economies of scale and administrative and programmatic savings that could support expanded business and training services. These savings may be achieved by implementing strategies such as the regional planning provision in the WIA, and/or new and more effective cost-sharing methodologies, and/or better integration of partner services in the One-Stop systems, and/or the consolidation and reduction in the number of Local Areas;
- The State and Local Boards exploring the development of new incentives for employers hiring specific segments of the population such as at-risk youth and ex-offenders;
- The State Board developing guidance on collaborating more effectively with Adult Education and Family Literacy Program providers and other education partners to address literacy barriers among California's workers;
- The State Board developing guidance for Local Boards on balancing the investment of shrinking resources into business services, supportive services, and training services; and

- The State and Local Boards exploring capacity building efforts at both the State and local levels and recommending ways to increase investments in building the capacity of One-Stop staff in providing services to special populations such as persons with disabilities and ex-offenders.
- b. *Describe the reemployment services you will provide to unemployment insurance claimants and the Worker Profiling services provided to claimants identified as most likely to exhaust their unemployment insurance benefits in accordance with section 3(c)(3) of the Wagner-Peyser Act.*

UI claimants most likely to exhaust their benefits are provided reemployment services through the Worker Profiling and Reemployment Services WPRS program. A comparison is done between the characteristics of UI claimants and a statistical model to determine the likelihood of them exhausting their benefits. Those profiled as most likely to exhaust their benefits are scheduled to Initial Assistance Workshops (IAW) that serve as an orientation to reemployment services. Enhanced services are provided to profiled claimants who attend the IAWs. Individual Reemployment Plans (IRP) are completed during these workshops.

The IRP facilitates referrals to other reemployment services and is considered an agreement between the claimant and the State. Claimants who choose a self-directed work search reemployment plan are referred to a special workshop to assist them in using Internet websites to do the following:

- Search for jobs that are best suited for their skills, knowledge, and abilities;
- Gain access to and learn how to use labor market information;
- Learn what transferable skills they possess;
- Select appropriate occupations to pursue; and
- Improve their interviewing, resume writing, and other job search skills.

Through a UI Reemployment Services (RES) grant, claimants not scheduled for an IAW session can be selected to receive a Personalized Job Search Assistance (PJSA) session. RES grant funds allow the State to provide this assistance to approximately 140,000 claimants per year.

Finally, the California UI Reemployment and Eligibility Assessment (REA) Grant Proposal has been funded by the Department of Labor for \$1.9 million to test a model that provides REA services to UI participants by trained UI staff in the One-Stop system. The pilot will assess whether intensive REA services increase an early return to work and lower UI expenditures. Under this grant 120,000 UI claimants will be scheduled for this service

- c. *Describe how the State administers the unemployment insurance work test and how feedback requirements (under §7(a)(3)(F) of the Wagner-Peyser Act) for all UI claimants are met.*

California's JS4UI project was designed to meet the work test requirements by increasing the provision of reemployment services to UI claimants and

improving the linkages between the UI and JS programs. Data are collected from claims filed through the claim filing process. All UI claimants who file a claim receive a letter requiring them to register for work in CalJOBSSM. To assist claimants in the résumé process, starter records are created for them. The letter advises the claimant that he/she has 21-days to comply and complete a résumé in CalJOBSSM.

If claimants do not enter resumes in CalJOBSSM within the 21 day period, they are scheduled for the PJSA. During the PJSA process, UI claimants are asked if they have been actively seeking work and the reason(s) for not completing a résumé in CalJOBSSM. The claimant provides his/her most recent job search information. If eligibility issues arise in the process of the interview, a manual stop-pay flag is entered on the UI claim record with a detailed note of the claimant's issue.

If the claimant (who has received a UI payment) fails to complete a résumé in CalJOBSSM by the allotted time (Friday of the week of their PJSA), a stop pay flag is set on his/her UI record and a determination for eligibility is scheduled. If the claimant calls the JS office and makes a statement that he/she will not be able to attend the PJSA due to a vacation, or any other eligibility issue, a stop-pay flag is manually entered on the UI record with a detailed note explaining the issue.

If the claimant does not show to the PJSA and does not call, there is an automated process that sweeps the CalJOBSSM database to check if the claimant entered a resume. If the indicator is "no" then a stop pay flag is automatically set.

The EDD has been working collaboratively with DOL Region VI staff in developing a process for performing follow-up on job referrals of UI claimants. The process will utilize automated capability and processes already in place to the maximum degree possible.

Services provided to UI claimants include job search and placement services through the CalJOBSSM, which is the primary job matching strategy for the state. The EDD's JS provides its services in self-service, facilitated self-service, and staff-assisted service mode. Approximately 90 percent of California's job referrals are achieved through the self-service mode.

- d. *Describe the State's strategy for integrating and aligning services to dislocated workers provided through the WIA rapid response, WIA dislocated worker, and Trade Adjustment Assistance (TAA) programs. Does the State have a policy supporting co-enrollment for WIA and TAA?*

The State must ensure that Rapid Response assistance and appropriate core and intensive services are made available to those covered by the Trade Adjustment Assistance (TAA) programs. The date that the TAA petition is received by the State will be used as the criterion for providing Rapid Response assistance. Under the Trade Act, applicants are assessed to see if they are candidates for training and, if so, they are referred for co-enrollment in the

Dislocated Worker program. The JS staff and other partners may refer to the *Trade Act Co-Enrollment Technical Assistance Guide*, and tailor the procedures to meet local needs. A feedback mechanism has been established between the CalJOBSSM and UI systems by adding a “UI Indicator” to the CalJOBSSM registration record.

- e. *How is the State’s workforce investment system working collaboratively with business and industry and the education community to develop strategies to overcome barriers to skill achievement and employment experienced by the populations listed in paragraph (a.) above and to ensure they are being identified as a critical pipeline of workers?*

As demonstrated by the CWA publication “Tuning In,” California’s workforce system has been transforming into a demand-driven system that is not only responsive to individual employers, but to entire industries. This is often in collaboration with education, as demonstrated by the collaboration among Genentech, the San Mateo County Workforce Board, and Skyline Community College to transition displaced airline workers into the Biotechnology industry.

California is further developing its demand-driven system framework by the strategy outlined in paragraph IX.C.4.a., which will require a strong collaboration with business and industry and the education community. For example, the strategies include a focus on addressing the literacy barriers of California’s workforce, which will require an investment of resources and expertise from both the business and education communities.

- f. *Describe how the State will ensure that the full array of One-Stop services are available to individuals with disabilities and that the services are fully accessible?*

The GCEPD collaborates with and advises the State Board to ensure that the full array of employment and training programs and services are available and fully accessible to people with disabilities. Services include:

- Outreach, intake, and orientation;
- Initial assessments of skills, aptitudes, abilities, and need for support services;
- Program eligibility determinations;
- Local, regional, and national labor market information;
- Information on filing for unemployment insurance; and
- Access to intensive services as needed.

The GCEPD provides a venue to determine real solutions to the challenges that customers with disabilities, service providers, or the business community may encounter when attempting to access the full array of services within the local One-Stop systems. To meet these challenges, and to ensure consistency in policy and service delivery, all GCEPD meetings are open to the public and stakeholder input is not only invited but encouraged. To ensure staff capacity and disability awareness, training is provided to Local Area front-line staff,

Equal Opportunity Officers, and local partners charged with the responsibility of implementing WIA Section 188 non-discrimination and equal opportunity requirements, with an emphasis on those obligations related to serving people with disabilities.

The GCEPD and the EDD applied for and received funding for Local Areas to hire and train disability program navigators. The navigators are responsible for:

- Helping customers with disabilities navigate through the system;
- Building strong local partnerships that include community-based organizations that serve people with disabilities; and
- Conducting outreach to employers to inform them of the availability of a skilled workforce.

In addition, the EDD and the GCEPD applied for and received funds from the Workforce Incentive Grant, Round III. These funds have been used to provide on-line interactive training for One-Stop Career Center staff. The EDD has also developed an interagency agreement with the California Department of Rehabilitation that will provide disability training to the local One-Stop systems.

- g. Describe the role LVER/DVOP staff have in the One-Stop Delivery System? How will the State ensure adherence to the legislative requirements for veterans' staff? How will services under this Plan take into consideration the agreement reached between the Secretary and the State regarding veterans' employment programs? (§§112(b)(7), 112 (b)(17)((B); 322, 38 U.S.C. Chapter 41; and 20 CFR §1001.120).)*

The Secretary's Agreement, as specified by Veterans' Program Letter 3-99, will incorporate the following procedures:

- Through the One-Stop system, veteran customers may elect self-service, facilitated self-help, or staff-assisted one-on-one service. Most veterans are able to use the self-service systems and will self-identify as veterans to establish their eligibility for veterans' priority. The Local Veterans Employment Representative (LVER) and Disabled Veterans Outreach Program staff (DVOP) are available at One-Stop Career Centers to provide facilitated self-help or staff-assisted service to veterans who require additional assistance. LVER and DVOP staff screen veterans for potential barriers to employment and identify the need for additional services. At each One-Stop center, LVER and DVOP staff will raise veterans' issues, including efforts to expand information provided to veterans regarding available services. At the request of One-Stop partners, LVERs and DVOPs may also be assigned to other locations that serve large veteran populations; and
- Case management services for veterans are customer-focused and customer-driven. These include referrals from the Department of Veterans Affairs Vocational Rehabilitation and Counseling system. Veterans are provided choices based upon need and the resources available to meet

those needs. When necessary and when appropriate, customers will be assisted in accessing resources outside of the One-Stop systems.

- h. Department of Labor regulations at 29 CFR 37, require all recipients of Federal financial assistance from DOL to provide meaningful access to limited English proficient (LEP) persons. Federal financial assistance includes grants, training, equipment usage, donations of surplus property, and other assistance. Sub-recipients are also covered when Federal DOL funds are passed through from one recipient to a sub-recipient. Describe how the State will ensure access to services through the State's One-Stop delivery system by persons with limited English proficiency and how the State will meet the requirements of ETA Training and Employment Guidance Letter (TEGL) 26-02, (May 29, 2003) which provides guidance on methods of complying with the Federal rule.*

California's Local Areas are subject to both federal and State requirements regarding non-discrimination and equal opportunity, which include equal access for persons with limited English proficiency (LEP). To ensure meaningful access to programs and services to LEP persons, the State issued [WIAD01-8](#), *Limited English Proficiency*, on October 2, 2001 (currently under revision), that transmits policy and guidance on serving LEP individuals pursuant to Title VI of the Civil Rights Act of 1964, its implementing regulations, and Section 188 of WIA.

California Government Code Sections 7290-7299.8, the *Dymally-Alatorre Bilingual Services Act (DABSA)*, mandates that when State or local agencies serve a substantial number of non-English-speaking people, they must employ a sufficient number of qualified bilingual staff in public contact positions and translate documents explaining available services in their beneficiaries' languages. The *DABSA* also requires State agencies to survey their customers on a biannual basis to review customer needs and update agency practices. The State requires that Local Boards review the *DABSA* when developing their local policies and procedures regarding services to LEP individuals.

The EDD also maintains a language directory of EDD staff, located statewide, who are fluent in languages other than English. These employees are available to provide translation services to all EDD offices. The language directory is available to local One-Stop Career Center staff; however many One-Stop Career Centers maintain their own lists of bilingual staff and partners, or they may contract for translation services. The EDD and local areas take all reasonable steps to provide services and information in languages appropriate to target and include notices and information required in 26 CFR Part 37.29, 37.30, and 37.34, among the items translated for LEP individuals.

In addition, [WIAD01-21](#), *Nondiscrimination and Equal Opportunity Procedures*, summarizes the federal and State requirements regarding non-discrimination and equal opportunity, and [WIAD00-7](#), *Standards for Oversight and Instructions for Substate Monitoring*, includes the requirements that subrecipients must be monitored for compliance of [WIAD01-21](#). The EDD's CRD monitors the Local Areas for compliance with the federal and State requirements.

- i. *Describe the State's strategies to enhance and integrate service delivery through the One-Stop delivery system for migrant and seasonal farm workers and agricultural employers. How will the State ensure that migrant and seasonal farm workers have equal access to employment opportunities through the State's One-Stop delivery system? Include the number of Migrant and Seasonal Farmworkers (MSFWs) the State anticipates reaching annually through outreach to increase their ability to access core, intensive, and training services in the One-Stop Career Center System.*

All Wagner-Peyser Services are provided through the One-Stop Career Center System, which includes mainstream and outreach services to migrant and seasonal farmworkers (MSFW). Also, many National Farmworker Jobs Program grantees have forged strong partnerships with local One-Stop systems to ensure One-Stop services are accessible to MSFWs.

The State Board, in partnership with the DOL, Region VI conducted regional Farm Worker Forums to discuss One-Stop System barriers to serving farmworkers. These forums also evolved into discussions of the needs of the agricultural industry and rural economies. The forums resulted in a report that provided information, technical assistance, and best practices regarding how One-Stop centers can develop and maintain an accessible, broad range of services that address the needs of farmworkers and rural regions. These practices included the following:

- Non-traditional hours of operation to serve working people;
- The need for the design of local One-Stop systems to reflect the needs of their local communities and industries;
- Enhance community outreach by integrating the services of community-based organizations into the One-Stops;
- Coordination of partners services to address literacy barriers in the immigrant workforce;
- The dislocation of workers in regional agriculture industries due to water issue or changes in the industry; and
- The targeting of farm worker communities as an untapped pool of workers that can address workforce needs in other industries that are experiencing an unstable workforce pool.

These issues are not unlike other issues with special needs populations described in other areas in this State Plan. As California's public workforce system continues to ensure that it remains relevant to California's regional economies and communities, MSFW communities will have access to the local One-Stop systems and be considered as part of the solution to regional workforce needs.

5. *Priority of Service*

- a. *What procedures and criteria are in place for the Governor and appropriate local boards to direct One-Stop operators to give priority of service to public assistance recipients and other low-income individuals for intensive and training services if funds allocated to a local area for adult employment and training activities are determined to be limited? (§§112(b)(17)(A)(iv) and 134(d)(4)(E).)*

California recognizes the statutory mandate of the WIA to prioritize delivery of Adult intensive and training services to recipients of public assistance and other low-income individuals in situations where Local Area Adult funding is limited. Under conditions of limited funding availability, priority of service will be provided to CalWORKs recipients and/or other low-income customers. Accordingly, Local Areas must complete the following as part of their local plans:

- Assess Local Area needs for employment and training services, particularly those of CalWORKs recipients and other low-income individuals.
- Identify how CalWORKs recipients and other recipients and other low-income individuals will be prioritized for intensive and training services, including how the WIA and other One-Stop resources will be directed to these groups.

In addition, the State policy issued in California's *WIA Title I Eligibility Technical Assistance Guide*, gives authority to Local Boards to establish criteria by which the Local Areas can determine the availability of funds, and the process by which the priority for Adult intensive and training services will be applied.

- b. *What policies and strategies does the State have in place to ensure that, pursuant to the Jobs for Veterans Act (P.L. 107-288)[38 USC 4215], that priority of service is provided to veterans (certain spouses) who otherwise meet the eligibility requirements for all employment and training programs funded by the U.S. Department of Labor, in accordance with the provisions of TEGL 5-03 (9/16/03)?*

To ensure compliance with the Jobs for Veterans Act (P.L. 107-288), the State issued several information bulletins providing general guidance on the implementation of the veterans' priority and how this priority will affect current business practices. California's *WIA Title I Eligibility Technical Assistance Guide* specifies these new requirements and requires that Local Boards develop a process by which the priority of services to veterans and other covered persons will be applied. Additionally, the EDD's Workforce Development Branch has a Veterans' Specialist who is a resource for questions, issues, and concerns regarding veterans.

D. *Rapid Response. (112(b)(17)(A)(ii).) Describe how your State provides Rapid Response services with the funds reserved under section 133(a)(2).*

1. *Identify the entity responsible for providing Rapid Response services. Describe how Rapid Response activities involve local boards and Chief Elected Officials. If*

Rapid Response activities are shared between the State and local areas, describe the functions of each and how funds are allocated to the local areas.

California has selected the Local Boards, and through them the agencies represented by their CEOs, to lead local teams that provide Rapid Response service in California's 50 Local Areas. Funds are provided for this purpose to the Local Boards/CEOs on a formula basis that provides for baseline support in all Local Areas, and takes into account past Dislocated Worker activities and the number of counties in a given Local Area.

The EDD's WID functions as the State's Dislocated Worker Unit. The WID has assigned Regional Advisors to work with each of the Local Areas as liaisons with the Dislocated Worker Unit and to advise the Local Areas about appropriate methods to respond to specific layoff events, ensuring that adequate resources are available at the local level to meet worker dislocation response needs (i.e., determine whether additional assistance is needed).

2. *Describe the process involved in carrying out Rapid Response activities.*
 - a. *What methods are involved in receiving notice of impending layoffs (include WARN Act notice as well as other sources)?*

The State notifies the Local Areas of all notices of layoff/closure it receives, including those under the federal WARN requirements, and those under State legislation that expands the number of employers who are required to provide notice of impending layoffs. In addition to these formal notices, Local Areas adopt various methods, tailored to their unique business situations, to become aware of impending layoffs. The expertise of each of the Local Boards, then, promotes awareness of local layoff situations. Further, business contacts made under the auspices of the Local Boards provide information that assists the local Rapid Response units to detect impending layoffs/business closures in advance of their occurrence. These opportunities to detect layoffs/business closures enhance the information that is received via the formal WARN notification process.

- b. *What efforts does the Rapid Response team make to ensure that rapid response services are provided, whenever possible, prior to layoff date, onsite at the company, and on company time?*

The variety of locally-focused early layoff/closure detection methods listed under the previous question promotes early intervention, prior to the layoff date, onsite at the company, and on company time.

- c. *What services are included in Rapid Response activities? Does the Rapid Response team provide workshops or other activities in addition to general informational services to affected workers? How do you determine what services will be provided for a particular layoff (including layoffs that may be trade-affected)?*

Rapid Response services are tailored by each Local Board to meet the unique needs of local layoff/closure events. They include generalized business

services (focused on layoff aversion), assistance with planning for reductions in force, general informational services, pre-layoff workshops, layoff-related job fairs, application taking, referral to local One-Stop centers, and other services that are appropriate to each local layoff/closure situation. What particular services will be provided (including events that are trade-affected) is determined by the Local Boards, based on the knowledge of their staff and the staff of other local entities participating on the Rapid Response teams, and on discussions with the affected employers and employees.

3. *How does the State ensure a seamless transition between Rapid Response services and One-Stop activities for affected workers?*

The California model for the provision of Rapid Response services is particularly well adapted to ensure a seamless transition between Rapid Response services and One-Stop activities for affected workers, principally because the Rapid Response services and One-Stop activities are overseen by the same Local Area entity. The Local Areas are also the operators of the One-Stop centers within the same service areas, thereby positioning them to deliver both Rapid Response and One-Stop service in a seamless way to the affected local dislocated workers.

4. *Describe how Rapid Response functions as a business service? Include whether Rapid Response partners with economic development agencies to connect employees from companies undergoing layoffs to similar companies that are growing and need skilled workers? How does Rapid Response promote the full range of services available to help companies in all stages of the economic cycle, not just those available during layoffs? How does the State promote Rapid Response as a positive, proactive, business-friendly service, not only a negative, reactive service?*

Local Boards and the State are increasingly treating Rapid Response services as a business service function. Local Rapid Response teams serve the business community through the provision of information about labor market needs and potential dislocation, in addition to information about the services available through the One-Stop systems. They assist employers in exploring alternatives to layoffs through human resource solutions, provide information on the Trade Act programs, provide guidance and/or financial assistance to help establish labor-management committees, help develop strategies for addressing dislocation events and averting layoffs, and assist employers with strategies for incumbent worker training and linkages with economic development activities at the federal, State, and local levels. As part of an on-going preventative strategy, business service professionals within One-Stop centers link with businesses and economic development professionals to foster economic development opportunities.

Rapid Response focused on business services facilitates the transition from declining to emerging industries, thereby ensuring economic growth. In times of high growth, targeted business services may help an industry find and retain skilled workers who meet industry standards, and during economic downturn business services may help the industry upgrade the skills of current workers, identify new markets, and improve productivity. On-the-job and customized training for laid-off workers are good strategies for supplying workers for replacement work or growing

industry sectors. Some Local Boards conduct small business surveys and city-based business visitation projects. Relevant incumbent worker skills training serves to keep employers competitive, thereby preventing layoffs and supporting growing and emerging industries.

The State Board has adopted a Rapid Response policy framework that reinforces layoff aversion strategies instead of primarily responding to layoffs after they occur. The policy emphasizes information and services to help local officials anticipate economic trends and assist in the development of economic development strategies. To promote this, the framework continues to support formula funding while also providing a more flexible funding methodology that focuses more on dynamic and changing local needs. The policy ensures that portions of the funds are directed towards system and capacity building activities in business services and continuous improvement, and the development of layoff aversion strategies. The policy also recognizes the uniqueness of each Local Area and supports opportunities to tailor local systems to best fit an area's needs. It encourages Local Boards to engage their local business communities and understand their needs, while also focusing on the Governor's priorities.

5. *What other partnerships does Rapid Response engage in to expand the range and quality of services available to companies and affected workers and to develop an effective early layoff warning network?*

In addition to the funding provided to the Local Boards, the State funds the JS and the California Labor Federation to ensure that these organizations can be involved in the local efforts. Local Rapid Response teams typically partner with these organizations as well as education and local economic development entities. These connections expand the range and quality of services made available to local companies and their affected workers, and thereby promote the quality of the local early layoff-warning network.

The California strategy of retaining Local Boards to deliver Rapid Response services establishes natural linkages between the local Rapid Response teams and the One-Stop partners. Close and constant communication with employers is also essential to any early layoff-warning network. Numerous Local Areas have developed intensive partnerships that bring together workforce intermediaries, economic development entities, small business development centers at community colleges, community organizations, labor organizations, education, employers, and industry associations. These multiple partnerships generate industry sector initiatives that support employers and workers during times of economic boom or economic downturn.

In times of high growth, the partnerships may help an industry find and retain skilled workers who meet industry standards, and during economic downturn the partnerships may help the industry upgrade the skills of current workers, identify new markets, and improve productivity. It is through the Local Areas' ability to build specialized knowledge of industries, coordinate community resources to meet the needs of industries, adapt to industry change, and manage the multiple stakeholders that they expand the range in quality of services available to companies and affected workers.

6. *What systems does the Rapid Response team use to track its activities? Does the State have a comprehensive, integrated Management Information System that includes Rapid Response, Trade Act programs, National Emergency Grants, and One-Stop activities?*

The State requires Local Boards to submit On-Site Visit reports regarding their Rapid Response activities related to specific layoffs/business closures. These reports include detailed information on the nature of the layoff, the expectations for future activity, and the entities participating in the Rapid Response. The EDD maintains a database of this information. The State also has a comprehensive, integrated Management Information System, the JTA, that is used to track all WIA expenditures and all WIA-enrolled participants, including participants who are enrolled in the Dislocated Worker program. Services provided to such dislocated workers and reported via JTA include the core, intensive, and training services provided at One-Stop centers. Reporting for the National Emergency Grants programs is accomplished via the JTA system, while reporting for the Trade Act program is accomplished separately from the JTA system.

7. *Are Rapid Response funds used for other activities not described above (e.g., the provision of additional assistance to local areas that experience increased workers or unemployed individuals due to dislocation events in case of unusually large layoff events)?*

California reserves 25 percent of its Dislocated Worker allotment for statewide Rapid Response and Additional Assistance activities. Half of this 25 Percent set-aside is used for Rapid Response formula allocations and special projects that address required and allowable Rapid Response activities as defined in 20 CFR 665.310 and 665.320. The remaining half of the 25 Percent Rapid Response set-aside is used to fund Additional Assistance projects as defined in 20 CFR 665.340. Additional assistance is provided only if formula-allocated Dislocated Worker funds are found to be insufficient to address the spectrum of major layoff/business closure events in a Local Area.

- E. *Youth. ETA's strategic vision identifies youth most in need, such as out of school youth, (and those at risk) youth in foster care, youth aging out of foster care, youth offenders, children of incarcerated parents, homeless youth, and migrant and seasonal farmworker youth as those most in need of service. State programs and services should take a comprehensive approach to serving these youth, including basic skills remediation, helping youth stay in or return to school, employment, internships, help with attaining a high school diploma or GED, post-secondary vocational training, apprenticeships and enrollment in community and four-year colleges. (§112(b)(18).)*

1. *Describe your State's strategy for providing comprehensive, integrated services to eligible youth, including those most in need as described above. Include any State requirements and activities to assist youth who have special needs or barriers to employment, including those who are pregnant, parenting, or have disabilities. Include how the State will coordinate across State agencies responsible for workforce investment, foster care, education, human services, juvenile justice, and other relevant resources as part of the strategy. (§112(b)(18).)*

The DOL's new strategic vision for the delivery of WIA Youth services was issued in TEGN No. 3-04. In response to the new Youth vision, the DOL sponsored a number of regional forums, with California participating in a session conducted in Phoenix, Arizona in December 2004. As a direct result of that regional forum, a *State Youth Vision Interagency Team* was formed to foster communication and connections across disciplines and agencies; enhance the quality of services delivered; improve efficiencies and improve the outcomes for the neediest youth; and have all youth served by one system. Currently the team consists of representatives from the State Board, the EDD, the State Board of Corrections, the California Youth Authority, the CDE, Job Corps, and the DOL. Other team members will be added as program needs and resources are defined.

California's SYC currently advises the State Board on strategic planning issues related to the WIA Youth programs and local youth councils. The SYC is refocusing on educational alternatives, partnerships with the business and economic development communities, and improvements in program outcomes and performance. These have been identified as important to the Local Area practitioners in order for them to assist their most at-risk youth in overcoming barriers. Additionally, the SYC is exploring new ways to leverage resources as a means of better connecting large segments of youth populations to the education and workforce systems.

Another strategy that California has used is its YCi, which recommends policy guidance to the SYC on flexible uses of categorical funding and system design. The State Board, through its SYC, will continue to promote effective service delivery through integration of partnerships in economic development, employment and training, welfare, and schools consistent with the Governor's goals for California's workforce system. Local workforce partners recognize the increasing demand to educate and train youth with the skills necessary to obtain and retain employment, especially in the industries essential for California's economic growth.

The strategies employed by the State and Local Boards and the SYC and local youth councils are consistent with State Board goals for advancing people with multiple barriers to employment through comprehensive services and identifying strategies to meet industry needs. With the input from Local Boards and public and private, profit and non-profit organizations, the strategies are being further developed to meet the special needs of foster youth, youth offenders, and youth with disabilities. To that end, the SYC coordinates with State and local agencies through the YCi, Foster Youth Employment and Training Task Force, Foster Youth Transition Action Teams, and the Improving Transition Outcomes for Youth with Disabilities Project Advisory Committee. All of these groups are comprised of

State/local agency representatives, community-based and faith-based organizations, youth, and parents.

2. *Describe how coordination with Job Corps and other youth programs will occur. (§112(b)(18)(C).)*

Job Corps is a very important partner in providing services to WIA-eligible youth. Cooperative efforts have been coordinated with Job Corps for providing services and connecting Job Corps with the local One-Stop systems. Job Corps also serves as a member of the SYC.

3. *How does the State Plan to utilize the funds reserved for Statewide activities to support the State's vision for serving youth? Examples of activities that would be appropriate investments of these funds include:*
- a. utilizing the funds to promote cross agency collaboration;*
 - b. demonstration of cross-cutting models of service delivery;*
 - c. development of new models of alternative education leading to employment; or*
 - d. development of demand-driven models with business and industry working collaboratively with the workforce investment system and education partners to develop strategies for bringing these youth successful into the workforce pipeline with the right skills.*
 - e. Describe how your State will, in general, meet the Act's provisions regarding youth program design. (§§112(b)(18) and 129(c).)*

In response to activities outlined in WIA sections (§§112(b)(18) and 129(c), Local Boards will develop and enhance relationships with local agencies and service providers to ensure that necessary services are available to eligible youth. Coordination with foster care, education, welfare, and other relevant resources occurs through local youth councils and is monitored through State review.

The Governor uses statewide funds for ongoing statewide youth activities such as:

- *The Foster Youth Employment and Training Taskforce* is a State-level interagency collaborative that develops strategies to promote the successful implementation of a joint initiative of the CDSS, the EDD, and the State Board to register foster youth at One-Stop Career Centers. The joint initiative promoted the funding of three foster youth pilot projects in Alameda, Colusa, and Ventura Counties with the goal of providing outreach and coordination of interagency resources, identifying programs providing services to transitional foster youth, establishing an interface between One-Stop centers and current promising practices in Local Areas, and maximizing and sharing resources for foster youth.

In addition, members of the Taskforce developed a multidisciplinary training curriculum on Foster Youth services provided by the CDSS Independent Living Program and through the One-Stop Career Centers. The EDD's CBU began a rollout of the staff cross-training in April 2004. Participants in the training include One-Stop staff, foster parents, foster youth, community-

based organizations, education staff, and CDSS Independent Living Program staff.

- The State Board and the EDD developed policy and definitions for distributing 15 Percent Discretionary funding to Local Areas with high concentrations of eligible youth. To receive the additional funds, Local Boards are required to submit plans showing collaboration and connection with programs, agencies, and organizations serving foster youth, youth with disabilities, and youth offenders. Current guidelines for program year 2004-2005 provide for additional funds to Local Areas with high concentrations of WIA-eligible youth above the State average of 23.6%. Local Boards must select a priority focus of Foster Youth, Youth Offender, or Youth with Disabilities.

F. Business Services. (§§112 (a) and 112(b)(2).) Provide a description of the state's strategies to improve the services to employers, including a description of how the State intends to:

- 1. Determine the employer needs in the local areas and on a Statewide basis.*
- 2. Integrate business services, including Wagner-Peyser Act services, to employers through the One-Stop system.*
- 3. Streamline administration of Federal tax credit programs within the One-Stop system to maximize employer participation? (20 CFR part 652.3(b), §112(b)(17)(A)(i).)*

A variety of strategies carried out both locally and statewide assist in the determination of employer needs. Statewide strategies include the gathering and reporting of workforce and labor market information and the work of the CREP, as well as the "economic conversations," held in the first year of the Governor's term, which involved people from all over the State and the Governor's cabinet secretaries. Additionally, the work of other partners such as the Economic Development and Workforce Development Program of the Community Colleges provide ongoing and valuable information on the needs and perspectives of employers. The State has also provided assistance to the Local Boards through the convening of nine regional economies forums, as well as the development of customized LMID web-based regional information.

Through the EDD, which administers Wagner-Peyser funds, a subsystem of CalJOBSSM called the ECMS was developed and made available to all One-Stop partners so that the EDD and all partners could record contacts made with employers as a method of coordinating those contacts. California has also made significant strides to increase the accessibility of federal tax credits to employers.

These steps include:

- Posting extensive information about federal tax credits on the EDD website for employers to view;
- Making all tax credit forms available through download from the EDD website;
- Marketing federal tax credits through publications sent to employers such as *The California Employer*, a quarterly EDD Tax Branch publication; and

- Establishing, and creating an efficient automation system for centralized processing of employer tax credit certifications requests.

California may participate in a national pilot program to allow employers to request tax credit certification through an on-line process if a waiver for the requirement for original signatures is received from the Internal Revenue Service. Finally, the State Board will consider a number of recommendations discussed during its State Plan special committee meetings:

- Continue to implement and refine local information gathering and analysis, including increased efforts to gather and disseminate timely data;
- Provide incentives to strengthen the ability of Local Boards and their One-Stop systems to know and meet the needs of their business communities;
- Build in accountability for outcomes;
- Improve staff competencies in developing and providing business services;
- Increase consistency within the system through development of policies and approaches that unify and provide clearer definition to programs and services;
- Provide technical assistance for business services development based on promising practices; and
- Explore how the State can best improve the integration of Wagner-Peyser funded services with the local One Stop systems.

G. Innovative Service Delivery Strategies (§112(b)(17)(A).)

1. *Describe innovative service delivery strategies the State has or is planning to undertake to maximize resources, increase service levels, improve service quality, achieve better integration or meet other key State goals. Include in the description the initiative's general design, anticipated outcomes, partners involved and funds leveraged (e.g., Title I formula, Statewide reserve, employer contributions, education funds, non-WIA State funds).*

California's 50 Local Areas face a wide range of distinct challenges arising from their economic, demographic, geographic, and political diversity. The Governor's commitment to local flexibility and control has resulted in Local Boards developing a multitude of innovative service delivery strategies that address their unique, community-based challenges.

The State Board and the EDD maintain a catalog of best practices on the EDD website for dissemination throughout the local workforce communities. The best practices must meet at least two of the following criteria:

- Improves customer service by inventing new ways of doing business;
- Successfully reaches out to the community to bring in clients that can benefit from the services provided (job seekers or employers);
- Produces great results or performance;
- Has been recognized as a promising practice through testimonials from clients and/or the workforce development community;
- Makes use of new or innovative technology or resources; and
- Promotes partnerships or improves operations in a One-Stop Career Center.

Practices published over the website are verified in two ways:

- They are backed by measurable outcome data such as increase in the number of job placements, documented improvement in skills, and increase in the number of enrollments; and
- They contain evidence of quality such as activities that are improving participant self-sufficiency, strong testimonials, or widespread support from other stakeholders.

The best practices are collected and presented according to following topics:

- Business Services
- Customer Focus
- Marketing and Outreach
- Performance Management
- Service Integration/Partnerships
- Serving People With Disabilities
- Technology
- Youth
- Other (for practices not covered by the listed categories)

Additionally, the CWA has developed four Regional One-Stop Communities that conduct meetings to discuss issues and innovation solutions for the enhancement of local One-Stop Delivery systems. As California explores and identifies issues, local innovation will be a constant factor when considering solutions to ensuring California's public workforce system is relevant to local and regional industries and labor markets.

2. *If your State's participating in the ETA Personal Re-employment Account (PRA) demonstration, describe your vision for integrating PRAs as a service delivery alternative as part of the State's overall strategy for workforce investment.*

California is not participating in a PRA demonstration.

- H. *Strategies for Faith-based and Community Organizations (§112(b)(17)(i).) – Enhancing outreach opportunities to those most in need is a fundamental element of the demand-driven systems goal to increase the pipeline of needed workers while meeting the training and employment needs of those most at risk. Faith-based and community organizations provide unique opportunities for the workforce investment system to access this pool of workers and meet the needs of business and industry. Describe those activities to be undertaken to: (1) increase the opportunities for participation of faith-based and community organizations as committed and active partners in the One-Stop delivery system; and (2) expand the access of faith-based and community-based organizations' clients and customers to the services offered by the One-Stops in the State. Outline those action steps designed to strengthen State collaboration efforts with local workforce investment areas in conducting outreach campaigns to educate faith-based and community organizations about the attributes and objectives of the demand-driven workforce investment system. Indicate how*

these resources can be strategically and effectively leveraged in the State's workforce investment areas to help meet the objectives of the Workforce Investment Act.

California has made an investment and a strong effort to provide job services and training to individuals not traditionally served by the mainstream workforce system. This successful effort entailed the expansion of the partnership between faith-based and community-based organizations with the local One-Stop systems and expanding the accessibility of One-Stop services to faith-based and community-based organizations.

This was the result of a unique collaboration between government and faith-based and community-based organizations to 1) provide grants to faith-based and community-based organizations that have been limited in their ability to take advantage of public funding due to limited resources and/or lack of experience in dealing with competitive contracting processes; 2) establish partnerships between the State and these organizations; and 3) serve the most difficult to serve and hardest to employ individuals. This nationally acclaimed effort has resulted in more than 7,000 persons throughout California having been served by nearly 50 different recipient organizations. Some 1,500 of these individuals have found unsubsidized jobs through this initiative.

The Governor and the State Board recognize that the integration and partnership of faith-based and community-based organizations with the local One-Stop systems is critical to serving individuals with multiple barriers in our most economically oppressed urban areas in California. Often these urban areas within a larger jurisdiction have an unemployment rate that doubles the average unemployment rate – in Los Angeles County overall, for instance, the average unemployment rate is 5.6 percent, yet in the City of Compton it is 11.7 percent.

The faith-based and community-based organizations are vital partners in ensuring all Californians are provided the opportunity to acquire the skills to take advantage of new and expanding opportunities to achieve self-sufficiency. During the planning process, it was evident that faith-based and community-based organizations must be considered similar to those entities traditionally funded through WIA Title I, when funding opportunities are made available at the State and local levels. California, along with the DOL, has invested in making faith-based and community-based organizations partners in reaching out to communities to ensure that the business community has access to an adequate workforce.

X. State Administration

- A. *What technology infrastructure and/or management information systems does the State have in place to support the State and local workforce investment activities such as a One-Stop operating system designed to facilitate case management and service delivery across programs, a State job matching system, web-based self service tools for customers, fiscal management systems, etc.? (§§111(d)(2), 112(b)(1) and 112(b)(8)(B).)*

California's workforce information system offers a user-friendly self-service website at www.labormarketinfo.edd.ca.gov that provides the information customers need to

make informed decisions – including career information, State and local profiles for planning purposes, and links to job listings on America’s Job Bank. Customer specific portal pages offer customers the information they require to explore their labor market needs. For instance, students can find career profiles, compare occupations side-by-side, search by skills and interests, search for jobs, find lists of employers to support their job searches, read articles, find publications, and access other career resources. Businesses can create job descriptions using occupational profiles, compare local occupational wages, create demographic profiles for affirmative action planning or government contracts, and more.

California does not have an automated, statewide One-Stop operating system that fully integrate labor exchange services and case managed services for job seekers and employers. The State has standalone systems that address all of these functions. California is working on merging client data across automated systems for the JS, TAA, and WIA programs. This will allow the State to improve data reporting, better evaluate program performance, and ultimately improve services to clients.

The following is a list of California’s primary data tracking systems for Wagner-Peyser and WIA programs and the functions of each system:

JS Program:

- CalJOBSSM allows employers to enter job openings and workers to enter resumes and match to job listings.
- The PASS and the Activity Calendaring and Event Scheduler support case management for the employment service programs.
- The ECMS assists One-Stop staff in coordinating contacts with employers.

WIA Program

- The JTA system supports client data collection and financial reporting and manages client information from application through follow-up, calculates performance at the State and local levels on a quarterly and annual basis, and computes all data necessary for the quarterly and annual reports. The JTA system produces the WIA Standard Record and compiles the data necessary for completion of the quarterly financial reports.

B. Describe the State’s plan for use of the funds reserved for Statewide activities under WIA §128 (a)(1).

The Governor’s current plan for the use of statewide discretionary funding is focused on the three priorities of high-wage, high growth jobs; advancing workers with barriers to employment; and industries with statewide shortages. Targeting these areas through solicitations that make funds available, and through the funding of unsolicited proposals, is helping to build the workforce system’s capacity to provide training services, particularly as they relate to industries that are most vital to the State’s economy. The Governor also annually targets areas with statewide importance for funding, such as veterans services. The State Board, Local Boards, the State Legislature, and partner programs continually identify new and different strategic

targets for the statewide funding and make recommendations to the Governor for strategic expenditures.

- C. *Describe how any waivers or workflex authority (both existing and planned) will assist the State in developing its workforce investment system. (§§189(i)(1), 189 (i)(4)(A), and 192).)*

California would like to request a continuation of the following waivers through PY 2005:

Continuation of California's waiver of WIA Section 122 (c)

California is submitting a request for the continuation of the State's waiver of WIA Section 122 (c) through PY 2005. The State plans to implement performance requirements for eligible training providers in PY 2006. During PY 2005, the State will work to address the problems and challenges of implementing the existing policy in California. A primary goal is to increase the availability of training and the accountability of training providers. California will work closely with the DOL to identify a strategy for implementing the ETPL policy, if WIA reauthorization does not change the options available to the Governor.

The following ETPL issues are limiting customer choice and the use of ITAs. California will use the waiver period in PY 2005 to address these issues:

- Determine a method to obtain consistent and reliable performance information from private post-secondary training providers;
- Assure that there are equitable performance requirements across the State; and
- Standardize the definition of an individual completing a program to assure that the clients in the performance cohort are comparable.

California will request assistance from the DOL in relating the ETPL to the differing procurement rules established by local governments across the State. California's goal is to use existing administrative data systems to provide training program data, to use Common Performance Measures as a tool for comparable data, and to use a workgroup of partners as a vehicle for discussion of issues and formulation of policy recommendations that will then be presented to the State Board. State staff will work closely with DOL Region VI to allow for monitoring of the State's progress toward the goal of a comprehensive training provider list that provides quality performance information allowing for customer choice and reliable, successful training services.

Continuation of the Waiver on the Prohibition on use of Youth WIA dollars to fund ITAs for Older Youth

California is submitting a request for an extension of its waiver of 20 CFR (664.510) that permits ITAs for youth only if they are determined eligible for and are co-enrolled as an Adult or Dislocated Worker. The State still believes that this waiver will maximize the service delivery capacity of WIA Youth programs within the One-Stop Career Centers by allowing youth who are determined not to follow an academic track, and are instead focused on employment, to have the same access as adults and

dislocated workers to the advantages of ITAs. The co-enrollment of youth as currently required in WIA is a duplicative and bureaucratic process, and does not allow some of those expenditures to be appropriately counted toward the 30 percent out-of-school expenditure requirement.

D. Performance Management and Accountability. Improved performance and accountability for customer-focused results are central features of WIA. To improve, states need not only systems in place to collect data and track performance, but also systems to analyze the information and modify strategies to improve performance. (See Training and Employment Guidance Letter (TEGL) 15-03, Common Measures Policy, December 10, 2003.) In this section, describe how the State measures the success of its strategies in achieving its goals, and how the State uses this data to continuously improve the system.

- 1. Describe the State's performance accountability system, including any state-system measures and the state's performance goals established with local areas. Identify the performance indicators and goals the state has established to track its progress toward meeting its strategic goals and implementing its vision for the Workforce Investment system. For each of the core indicators, explain how the State worked with local boards to determine the level of the performance goals. Include a discussion of how the levels compare with the state's previous outcomes as well as with the State-adjusted levels of performance established for other states (if available), taking into account differences in economic conditions, the characteristics of participants when they entered the program and the services provided. Include a description of how the levels will help the State achieve continuous improvement over the two years of the plan.*

California is striving to create a flexible, demand-driven employment and training system that is fully accountable at the State and federal levels. Both State-level initiatives and the local systems are focused on understanding and meeting the needs of employers. By working with job seeker customers to define service plans that prepare them for demand occupations and provide work readiness skills that enable them to excel in California's adaptive labor market, the workforce system will assure that workers get jobs, retain jobs, and advance in those jobs. That service strategy will support the success of workers with barriers to employment as well as dislocated workers that need assistance in translating their skills to new occupations. The State performance levels are established to assure accountability while supporting the Governor's desire to assure that California's employment and training system is open to adults and youth with special needs and barriers to employment.

In setting California's performance targets, staff considered labor market conditions, past performance, the demographics of the State's client population, the Secretary of Labor's Government Performance and Results Act (GPRA) goals, and the circumstances in California relative to other States. The Governor's goals reflect an expectation of improved performance and an effort to support the Secretary of Labor in achieving the GPRA goals.

Some goals, however, for all client groups are lower than the Secretary's GPRA expectations. This reflects California's higher than average unemployment rates

over the planning horizon and California's high-risk population. Using the Department of Labor's Federal Research and Evaluation Database (FRED) staff compared the characteristics of the job seekers served in California to the national average and to other large states and states with similar economic conditions. Specific states Included in the analysis are – Illinois, Ohio, Texas, and New York. The Adults and Dislocated Workers served in California are older, are more likely to have exhausted their unemployment insurance benefits, a higher percentage of clients are disabled, speak limited English, and are high school dropouts. In addition, many of these clients are coming to the program from high paying jobs in declining industries. Pre-program wages for these clients are higher than the national average.

California's challenge is exacerbated by economic conditions. Both the California Department of Finance and the University of California, Los Angeles Anderson Forecast indicate that California's unemployment rate will remain above the national average and above six percent through calendar year 2007.

Historically, California's performance with Younger Youth has been above average and the State's performance expectations for this population reflect continually improving outcomes. The plan goals for youth services are somewhat below current performance, reflecting the Governor's desire to increase outreach and services to youth most in need, and assuring that all youth are given equal opportunity for successful careers.

California has not included the specific statistics from the FRED that support the performance goals as part of this plan, but will present findings in detail to the DOL if requested as part of the formal performance negotiation process. The State has not completed negotiations with Local Boards for PY 2005 and PY 2006. Through the State Plan public comment process, local CEOs and Local Boards have had the opportunity to comment on the performance goals. California will continue negotiations with local representatives following approval of the State Plan.

For PY 2005 and PY 2006, the State will use a local negotiation process similar to that used in previous years. State staff will prepare proposed goals for each of the Local Boards. These goals are derived based on the State agreed-upon goals with the Secretary of Labor, relative economic conditions across the Local Areas, and the demographics of the client populations within the Local Areas. These State proposed goals are published for acceptance or negotiation by the CEOs and Local Boards through a State WIA directive. Based on responses to the initial directive, negotiations are completed between the local representatives and the State and final goals are published through a final State WIA directive. As a rule, the negotiation process takes a minimum of two months to complete, thus providing the Local Areas some time for public comment on the goals at the local level.

During PY 2004, California has been working to develop quantitative methods to better evaluate Local Board performance. The State and each of the Local Boards are able to monitor and evaluate performance on a quarterly basis through the JTA

system. State staff are currently developing the following additional processes to assist with performance monitoring:

- Preparation of a quarterly performance summary by Local Area that will provide a historical trend for each performance measure, data by quarter for the current program year, and a risk rating that relates expected performance to actual performance based on labor market conditions and the characteristics of clients served within the Local Area; and
 - Because the data in the administrative databases have limited power to explain performance outcomes, California will initiate discussion with the Local Boards to identify other process and program information that may relate to successful performance. Some of this learning will come from the current State-initiated WIA Evaluation to be completed in April 2006. Additional information will be garnered through surveys and conversations with the local partners.
2. *Describe any target applicant groups under WIA Title I, the Wagner-Peyser Act or Title 38 Chapters 41 and 42 (Veterans Employment and Training Programs) that the state tracks.*

California is committed to providing quality workforce services to all Californians. Given limited resources and economic conditions, Local Boards are encouraged to provide services to adults and youth with multiple barriers to employment, and to people with disabilities. The Governor is also investing significant resources to assuring full services are available to veterans.

3. *Identify any performance outcomes or measures in addition to those prescribed in WIA and what process the state is using to track and report them.*

Currently California has no additional performance measures for the workforce system outside those prescribed by the WIA. Because of the Governor's goal of integrating the workforce system with economic development and assuring effective links to the employer community, the State Board will consider recommending the implementation of one or more employer-based performance measure(s).

4. *Describe the State's common data system and reporting processes in place to track progress. Describe what data will be collected from the various One-Stop partners (beyond what is required by the DOL), use of quarterly wage records (including how your state accesses wage records), and how the Statewide system will have access to the information to continuously improve.*

California calculates WIA performance through the statewide JTA system. The client data collection forms are described in detail in the *Client Forms Handbook*. This guide has been out for reference since May 2002. A recent revision was released in [WIAD04-17](#), March 24, 2005. The JTA system tracks client services from application through follow-up. The client Enrollment Form is designed to track all services received by the client regardless of the partner providing the service. All recipients of WIA funds are required to report through the JTA system. How

and if local partner services are reported through the JTA system is at the discretion of the local partners.

The JTA system provides the facility for a locally specified Agency Code to allow local administrators to identify and monitor local partner activities. The JTA system has standard reports that will generate performance outcomes by Agency Code, Governor's Discretionary Grant or Special Project, Local Board, and statewide. Most of these outcome summaries are available at the local and State-level. Local service providers may work within the system or they may transfer data periodically from a separate locally-developed automation system. Client records must be transmitted to the State on a monthly basis. The JTA system contains edit checks to assure that data entries are valid.

The JTA system produces a variety of standardized reports to assist the State and Local Board's in monitoring client activity and performance. Examples of these reports include:

- Summary of enrollments and client characteristics;
- The performance detail report to calculate local performance;
- The WIA performance roster that displays the clients in the numerator and denominator of each measure;
- Listing of clients approaching 90-days without service;
- A listing of exited clients and the quarterly follow-up schedule; and
- Wage record outcome status by client.

To obtain wage record information for the calculation of performance outcomes, the JTA system links directly to California's employer wage records. Client records are matched at enrollment for pre-program wages and quarterly for post-exit performance evaluation. For California's Local Boards, the client-specific wage record data are available through the JTA. Based on California statute, private for-profit or non-profit contractors may not have access to the wage record detail. These contractors are able to view aggregate reports. The JTA system produces an extract file for matching to the national wage record interchange system.

5. Describe the actions the Governor and State Board will take to ensure collaboration with key partners and continuous improvement of the Statewide Workforce System.

The State Board works collaboratively with key stakeholders on all areas of workforce development in California. Supporting the development of a demand-driven architecture for California's workforce system, business leaders who represent the multi-faceted diversity of industries in California are active members on the State Board. The State Board also engages in contracts, MOUs, and interagency agreements for services from the various State-level partners. The State Board's three special committees are dedicated to the continuous improvement of California's workforce system and are comprised of business leaders, local representatives, and representatives of State agencies, all striving towards the improvement of the State's workforce investment system.

6. *How do the State and local boards evaluate performance? What corrective actions (including sanctions and technical assistance) will the State take if performance falls short of expectations? How will the State and Local Boards use the review process to reinforce the strategic direction of the system?*

The State evaluates and monitors performance on a quarterly basis using the standard reports generated by the JTA system. The State's incentive and sanctions policies are specified in two directives – [WIAD04-12](#) is the State's most recent issuance of the State's requirements to receive an exemplary performance award, and [WIAD02-4](#) provides the State's sanction policies for nonperformance.

An under-performing Local Board is required to complete a corrective action plan that is reviewed and approved by State staff. The State will provide technical assistance in support of the local corrective action plan including advice thorough the use of a State "performance review team" as well as other types of training. As part of the corrective action planning process, Local Boards are asked, among other things, to consider the strategic elements of their local systems, including:

- Improving local partnerships and expanding One-Stop services;
- Improving access to local labor market information;
- Reorganization;
- The local One-Stop certification process; and
- Improving linkages to the business community.

7. *What steps, if any, has the state taken to prepare for implementation of new reporting requirements against the common performance measures as described in Training and Employment Guidance Letter (TEGL) 15-03, December 10, 2003, Common Measures Policy?*

California announced these performance changes in March 2004 through [WIAB03-61](#). Since that time staff have provided regular updates to the workforce community through a monthly conference call with an advisory group of Local Area Administrators. The State is currently completing the programming of the common measures in the JTA system.

8. *Include the proposed level for each performance measure for each of the two program years covered by the Plan. While the plan is under review, the state will negotiate with the respective ETA Regional Administrator to set the appropriate levels for the next two years. At a minimum, states must identify the performance indicators required under section 136, and, for each indicator, the State must develop an objective and quantifiable performance goal for two program years. States are encouraged to address how the performance goals for local workforce investment areas and training providers will help them attain their statewide performance goals.*

Attachment J provides California's proposed performance goals for PY 2005-06 and PY 2006-07. A general explanation for the specified performance levels is provided in the State's response in Section X.D.1. The State assumes that more

detailed discussions may take place during the formal negotiation and approval of the goals.

E. Administrative Provisions

1. Provide a description of the appeals process referred to in §116(a)(5).

An entity denied designation will have twenty (20) calendar days from the postmark date of the denial letter to file an appeal. An entity will meet the filing deadline if the appeal is postmarked within the 20-day deadline described in the preceding sentence. The entity shall submit the appeal to the State Board as required under the WIA.

(a) Appeal to the State Board

The appeal must include all factual and legal arguments as to why the appeal should be granted. The State Board will conduct a review of the appeal and will issue a recommendation to the Governor within thirty (30) calendar days of receiving the appeal. The designation process will continue while the appeal is in progress, and will be modified should the initial denial of designation be overturned.

(b) Appeal to the U.S. DOL

If the appeal of the decision submitted within the required time frame does not result in the requested designation, the unit or grant recipient may further appeal the designation decision to the U.S. Secretary of Labor. The appeal to the Secretary must be consistent with the requirements of the WIA of 1998. The U.S. Secretary of Labor, after receiving a request for review from the unit or grant recipient and upon determining that the unit or grant recipient was not accorded procedural rights under the appeal process established in the State Plan, or that the area meets the requirements of Section 116(a) paragraph (2) or (3), as appropriate, may require that the area be designated as a local area under such appropriate paragraph.

2. Describe the steps taken by the State to ensure compliance with the non-discrimination requirements outlined in §188.

The State developed a Methods of Administration (MOA) document that reflects the Governor's commitment to nondiscrimination and equal opportunity. The elements contained in this document outline California's policy on the nondiscrimination provisions outlined in WIA Title I Section 188 and meet the intent and mandate of Title 29 CFR Part 37 37.54(a). The provisions of the MOA apply to California JS, UI, and WIA Title I financially assisted programs, activities, and recipients.

The EDD issued [WIAD01-21](#) establishing the State policy on nondiscrimination and equal opportunity. This directive contains the nine distinct elements outlined in the MOA and highlights compliance requirements that are significant to Local Areas and other WIA Title I recipients. These elements include:

- Requiring each Local Area to designate a local-level Equal Opportunity Officer;

- Notice and communication requirements;
- Reviewing assurances in Job Training Plans, Contracts, and Policies and Procedures;
- Compliance with Section 504 of the Rehabilitation Act of 1973 and Title 29 CFR Part 37;
- Ensuring Universal Access;
- Data and information collection and maintenance;
- Monitoring recipients for compliance;
- Complaint processing procedures; and
- Corrective actions and sanctions.

XI. Assurances

1. **The State assures that it will establish, in accordance with section 184 of the Workforce Investment Act, fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State through the allotments made under sections 127 and 132. (§112(b)(11).)**
2. **The State assures that it will comply with section 184(a)(6), which requires the Governor to, every two years, certify to the Secretary, that -**
 - a. **the State has implemented the uniform administrative requirements referred to in section 184(a)(3);**
 - b. **the State has annually monitored local areas to ensure compliance with the uniform administrative requirements as required under section 184(a)(4); and**
 - c. **the State has taken appropriate action to secure compliance pursuant to section 184(a)(5). (§184(a)(6).)**
3. **The State assures that the adult and youth funds received under the Workforce Investment Act will be distributed equitably throughout the State, and that no local areas will suffer significant shifts in funding from year to year during the period covered by this Plan. (§112(b)(12)(B).)**
4. **The State assures that veterans will be afforded employment and training activities authorized in section 134 of the Workforce Investment Act, and the activities authorized in chapters 41 and 42 of Title 38 US code. The State assures that it will comply with the veterans priority established in the Jobs for Veterans Act. (38 USC 4215.)**
5. **The State assures that the Governor shall, once every two years, certify one local board for each local area in the State. (§117(c)(2).)**
6. **The State assures that it will comply with the confidentiality requirements of section 136(f)(3).**
7. **The State assures that no funds received under the Workforce Investment Act will be used to assist, promote, or deter union organizing. (§181(b)(7).)**
8. **The State assures that it will comply with the nondiscrimination provisions of section 188, including an assurance that a Methods of Administration has been developed and implemented (§188.)**
9. **The State assures that it will collect and maintain data necessary to show compliance with the nondiscrimination provisions of section 188. (§185.)**

10. The State assures that it will comply with the grant procedures prescribed by the Secretary (pursuant to the authority at section 189(c) of the Act) which are necessary to enter into grant agreements for the allocation and payment of funds under the Act. The procedures and agreements will be provided to the State by the ETA Office of Grants and Contract Management and will specify the required terms and conditions and assurances and certifications, including, but not limited to, the following:
 - General Administrative Requirements:
 - 29 CFR part 97 --Uniform Administrative Requirements for State and Local Governments (as amended by the Act)
 - 29 CFR part 96 (as amended by OMB Circular A-133) --Single Audit Act
 - OMB Circular A-87 --Cost Principles (as amended by the Act)
 - Assurances and Certifications:
 - SF 424 B --Assurances for Non-construction Programs
 - 29 CFR part 37 --Nondiscrimination and Equal Opportunity Assurance (and regulation) 29 CFR § 37.20
 - CFR part 93 --Certification Regarding Lobbying (and regulation)
 - 29 CFR part 98 --Drug Free Workplace and Debarment and Suspension Certifications (and regulation)
 - Special Clauses/Provisions:
 - Other special assurances or provisions as may be required under Federal law or policy, including specific appropriations legislation, the Workforce Investment Act, or subsequent Executive or Congressional mandates.
11. The State certifies that the Wagner-Peyser Act Plan, which is part of this document, has been certified by the State Employment Security Administrator.
12. The State certifies that veterans' services provided with Wagner-Peyser Act funds will be in compliance with 38 U.S.C. Chapter 41 and 20 CFR part 1001.
13. The State certifies that Wagner-Peyser Act-funded labor exchange activities will be provided by merit-based public employees in accordance with DOL regulations.
14. The State assures that it will comply with the MSFW significant office requirements in accordance with 20 CFR part 653.
15. The State certifies it has developed this Plan in consultation with local elected officials, local workforce boards, the business community, labor organizations and other partners.
16. As a condition to the award of financial assistance from the Department of Labor under Title I of WIA, the grant applicant assures that it will comply fully with the nondiscrimination and equal opportunity provisions of the following laws:
 - Section 188 of the Workforce Investment Act of 1998 (WIA), which prohibits discrimination against all individuals in the United States on the basis of race, color, religion, sex, national origin, age, disability, political affiliation or belief, and against beneficiaries on the basis of either citizenship/status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA Title I--financially assisted program

or activity;

- Title VI of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the bases of race, color and national origin;
- Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination against qualified individuals with disabilities;
- The Age Discrimination Act of 1975, as amended, which prohibits discrimination on the basis of age; and
- Title IX of the Education Amendments of 1972, as amended, which prohibits discrimination on the basis of sex in educational programs.

The grant applicant also assures that it will comply with 29 CFR part 37 and all other regulations implementing the laws listed above. This assurance applies to the grant applicant's operation of the WIA Title I-financially assisted program or activity, and to all agreements the grant applicant makes to carry out the WIA Title I-financially assisted program or activity. The grant applicant understands that the United States has the right to seek judicial enforcement of this assurance.

17. The State assures that funds will be spent in accordance with the Workforce Investment Act and the Wagner-Peyser Act and their regulations, written Department of Labor Guidance implementing these laws, and all other applicable Federal and State laws.

PROGRAM ADMINISTRATION DESIGNEES AND PLAN SIGNATURES

Name of WIA Title I Grant Recipient Agency:

California Employment Development Department

Address: P.O. Box 826880, Sacramento, CA 94280-0001

Telephone Number: (916) 654-8210

Facsimile Number: (916) 657-5294

E-mail Address: phenning@edd.ca.gov

Name of State WIA Title I Administrative Agency (if different from the Grant Recipient):

California Labor and Workforce Development Agency

Address: 801 K Street, Suite 2101, Sacramento, CA 95814

Telephone Number: (916) 327-9064

Facsimile Number: (916) 327-9158

E-mail Address: Victoria.bradshaw@labor.ca.gov

Name of WIA Title I Signatory Official:

Victoria Bradshaw, Secretary, California Labor and Workforce Development Agency

Address: 801 K Street, Suite 2101, Sacramento, CA 95814

Telephone Number: (916) 327-9064

Facsimile Number: (916) 327-9158

E-mail Address: Victoria.bradshaw@labor.ca.gov

Name of WIA Title I Liaison: Patrick Henning, Director, California Employment Development Department

Address: P.O. Box 826880, Sacramento, CA 94280-0001

Telephone Number: (916) 654-8210

Facsimile Number: (916) 657-5294

E-mail Address: phenning@edd.ca.gov

Name of Wagner-Peyser Act Grant Recipient/State Employment Security Agency:

Patrick Henning, Director, California Employment Development Department

Address: P.O. Box 826880, Sacramento, CA 94280-0001

Telephone Number: (916) 654-8210

Facsimile Number: (916) 657-5294

E-mail Address: phenning@edd.ca.gov

Name and title of State Employment Security Administrator (Signatory Official):

Patrick Henning, Director, California Employment Development Department

Address: P.O. Box 826880, Sacramento, CA 94280-0001

Telephone Number: (916) 654-8210

Facsimile Number: (916) 657-5294

E-mail Address: phenning@edd.ca.gov

As the Governor, I certify that for the State/Commonwealth of _____, the agencies and officials designated above have been duly designated to represent the State/Commonwealth in the capacities indicated for the Workforce Investment Act, Title I, and Wagner-Peyser Act grant programs. Subsequent changes in the designation of officials will be provided to the U.S. Department of Labor as such changes occur.

I further certify that we will operate our Workforce Investment Act and Wagner-Peyser Act programs in accordance with this Plan and the assurances herein.

Typed Name of Governor: Arnold Schwarzenegger

Signature of Governor _____ Date _____

Glossary of Acronyms and Abbreviations

AB	Assembly Bill
ACES	Activity Calendaring and Event Scheduler
ADA	Americans with Disabilities Act
ALMIS	America's Labor Market Information System
BLS	Bureau of Labor Statistics
BTHA	Business Transportation and Housing Agency
CalJOBS	California's Computerized Job Search System
CalWorks	California Work Opportunity and Responsibility to Kids
CBU	Capacity Building Unit
CCCCO	California Community Colleges Chancellor's Office
CDE	California Department of Education
CDSS	California Department of Social Services
CEO	Chief Elected Officials
CPR	California Performance Review
CRD	Compliance Review Division
CREP	California Regional Economies Project
CTE	Career Technical Education
CWA	California Workforce Association
DABSA	Dymally-Alatorre Bilingual Services Act
DGS	Department of General Services
DOL	Department of Labor
DVOP	Disabled Veterans Outreach Program
ECMS	Employer Contact Management System
EDD	Employment Development Department
ETA	Employment and Training Administration
ETP	Employment Training Panel
ETPL	Eligible Training Provider List
FRED	Federal Research and Evaluation Database
GCEPD	Governor's Committee on Employment of People with Disabilities
GED	General Equivalency Diploma
GPRA	Government Performance and Results Act
IAW	Initial Assistance Workshops
IRP	Individual Reemployment Plan
IT	Information Technology
ITA	Individual Training Accounts
JS	Job Service
JTA	Job Training Automation
LEP	Limited English Proficient
LMID	Labor Market Information Division
Local Area	Local Workforce Investment Area
Local Board	Local Workforce Investment Board
LVER	Local Veterans Employment Representative
LVN	Licensed Vocational Nurse
LWDA	Labor and Workforce Development Agency

MOA	Methods of Administration
MOU	Memoranda of Understanding
MSFW	Migrant and Seasonal Farm Workers
NAICS	North American Industry Classification System
NORTEC	Northern Rural Training Employment Consortium
OJT	On-the-Job-Training
ONET	Occupational Information Network
PASS	Program Activity Support System
PIP	Planning Information Packets
PJSA	Personalized Job Search Assistance
PRA	Personal Re-employment Account
PY	Program Year
REA	Reemployment Eligibility Assessment
RES	Reemployment Services
RFP	Request for Proposal
RN	Registered Nurse
SB	Senate Bill
SCANS	Secretary's Commission on Achieving Necessary Skills
SFP	Solicitation for Proposal
SI	Supply Indicator
State Board	California Workforce Investment Board
SWAO	Senior Worker Advocate Office
SYC	State Youth Council
TAA	Trade Adjustment Assistance
TANF	Temporary Assistance to Needy Families
TEGL	Training & Employment Guidance Letter
TEGN	Training and Employment Guidance Notice
UI	Unemployment Insurance
UIB	Unemployment Insurance Branch
WARN	Worker Adjustment and Retraining Notification
WIA	Workforce Investment Act
WIAD	Workforce Investment Act Directive
WIAB	Workforce Investment Act Bulletin
WID	Workforce Investment Division
WPRS	Worker Profiling and Reemployment Services
YCi	Youth Council Institute

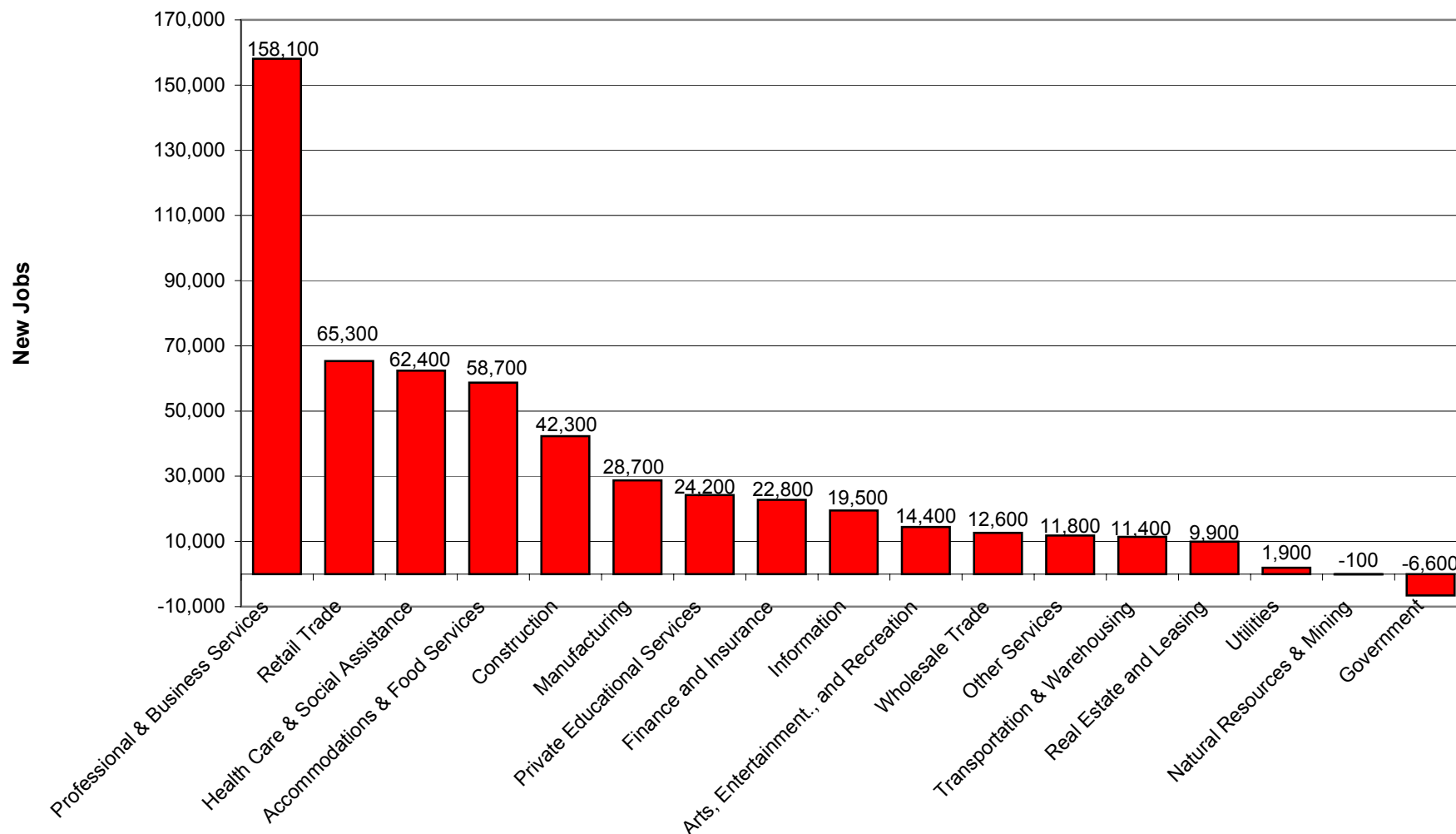
California Workforce Investment Board Membership

NAME	TITLE/AFFILIATION
Mr. Larry Gotlieb Chair, State Board	Vice-President of Government and Public Affairs and Associate Corporate Counsel KB Homes
The Honorable Richard Alarcon	Member of the California State Senate
Ms. Cynthia Amador	President and CEO CHARO Community Development Corporation
Mr. Bob Balgenorth	President State Building and Construction Trades Council of California
Ms. S. Kimberly Belshe	Secretary Health and Human Services Agency
Mr. Norris Bishton	Attorney NOARUS Auto Group
Ms. Victoria Bradshaw	Secretary California Labor and Workforce Development Agency
Mr. Ken Burt	Political Director California Federation of Teachers
Mr. Jerry Butkiewicz	Secretary/Treasurer San Diego/Imperial Counties Labor Council
The Honorable Wesley Chesbro	Member of the California State Senate
Mr. James Crettol	President Crettol Farms
The Honorable Mark Drummond	Chancellor California Community Colleges
Ms. Chris Essel Vice-Chair, State Board	Senior Vice-President – Government and Community Affairs Paramount Pictures
Mr. Victor Franco	Vice President, Community Relations NBC/Telemundo 52- Los Angeles
The Honorable Jerome Horton	Member of the California State Assembly
Mr. T. Warren Jackson	Vice President Workforce Diversity and Assistant General Counsel Hughes Electronics Corporation
Mr. James Kellogg	International Representative United Plumbers and Pipefitters Union
Mr. Kirk Lindsey	President Brite Transportation Systems
Mr. Sean Liou	Director of Diversity Sales, Northern California Region Money Line America
Mr. Richard Mendlen	Director, Facility Operations Kennon S. Shea & Associates
Ms. Kathleen Milnes	President and CEO The Entertainment Economy Institute
Mr. Elvin Moon	President and CEO E.W. Moon Incorporated
The Honorable Jack O’Connell	State Superintendent of Public Instruction
Ms. Gayle Pacheco	President Western Hardware Company
Mr. Pete H. Parra	5 th District Supervisor, Kern County

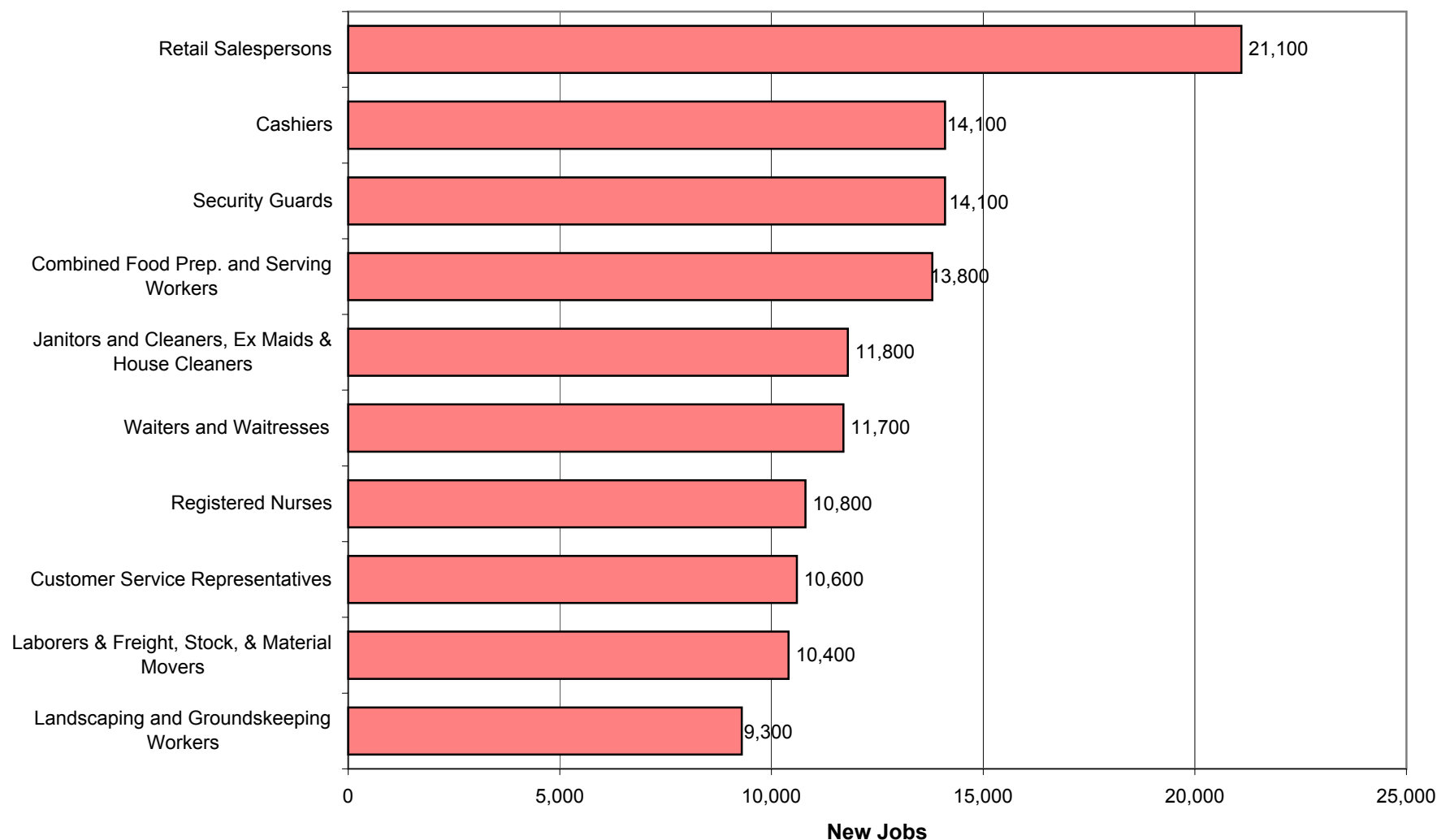
Ms. Pat Paul	Supervisor, Stanislaus County Board of Supervisors
Mr. Art Pulaski	Executive Secretary/Treasurer California Labor Federation, AFL-CIO
The Honorable Miguel Pulido	Mayor City of Santa Ana
Mr. Frank Quintero, Sr.	Councilmember City of Glendale
Mr. Arturo Rodriguez	President United Farm Workers of America AFL-CIO
Mr. James Shelby	President and CEO Greater Sacramento Urban League
Ms. Sunne Wright McPeak	Secretary Business, Transportation and Housing Agency
Vacancy	Member of the California State Assembly

Updated 05-16-05

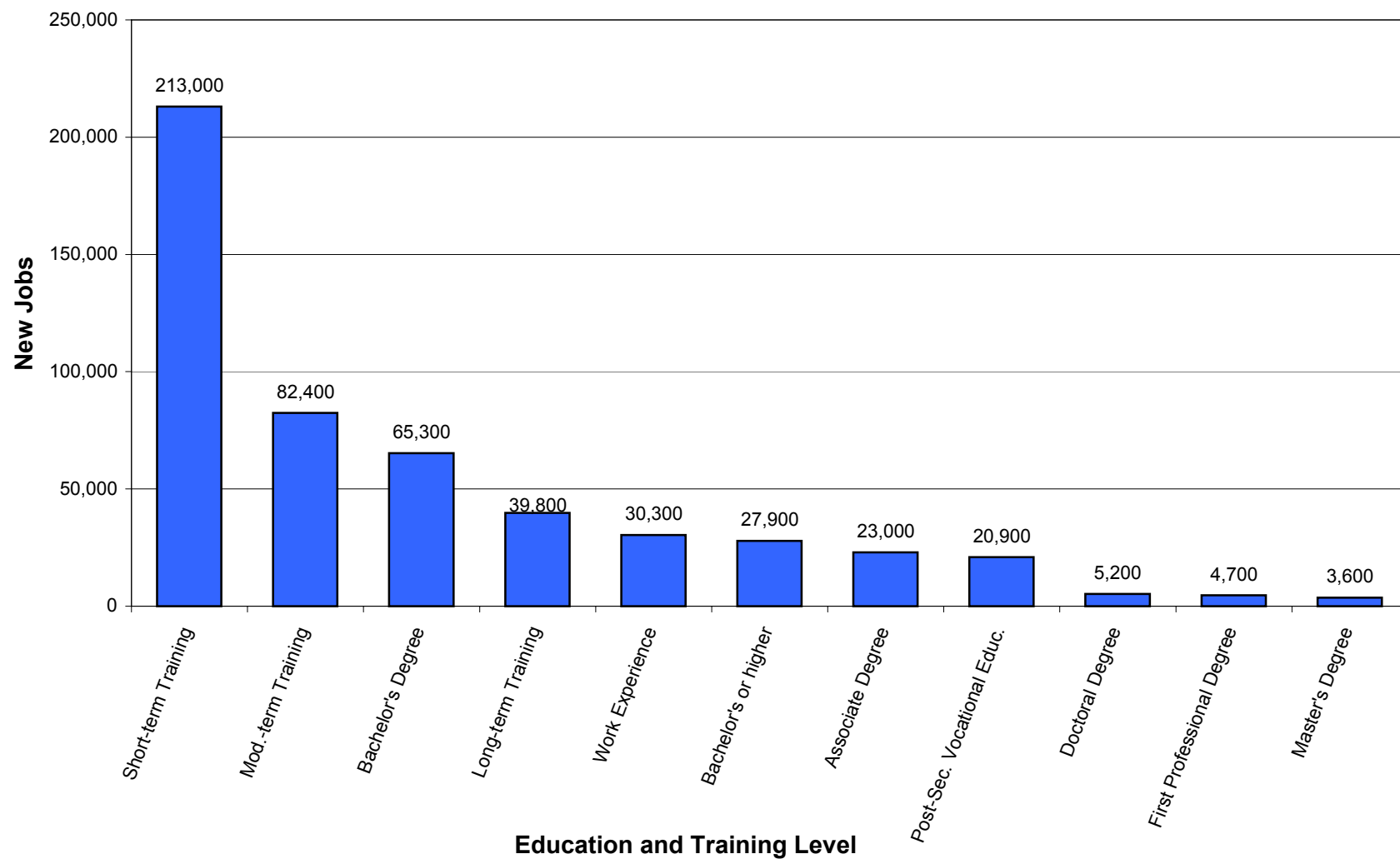
California Short-Term Industry Projections 2003-05 Industry Sector Growth



**California Short-Term Occupational Projections 2003-05
Ten Largest Growing Occupations**



**California Short Term Occupational Projections 2003-05
Employment Growth By Education and Training Level**



Comparison of Growing Occupations in California Base Year 2002 to Projected Year 2012

Fastest Growing* (Percentage Growth)	Education / Training Level	Largest Growing* (Adding the Most Jobs)
Helpers--Painters, Paperhangers, Plasterers, and Stucco Masons (44.4% or 2,800 jobs) Home Health Aides (44.4% or 17,000 jobs) Personal and Home Care Aides (36.1% or 11,400 jobs) Combined Food Prep and Serving Workers, Including Fast Food (28.9% or 62,200 jobs) Helpers--Carpenters (28.6% or 2,400 jobs)	Short-term on-the-job training (one month or less)	Retail Salespersons (77,800 jobs) Combined Food Preparation and Serving Workers, Including Fast Food (62,200 jobs) Cashiers (61,900 jobs) Waiters and Waitresses (50,900 jobs) Office Clerks, General (46,200 jobs)
Dental Assistants (57.1% or 24,400 jobs) Tapers (56.5% or 5,200 jobs) Drywall and Ceiling Tile Installers (56% or 15,000 jobs) Medical Assistants (46% or 23,300 jobs) Carpet Installers (40.4% or 3,800 jobs)	Moderate-term on-the-job training (one to 12 months)	Customer Service Representatives (47,300 jobs) Sales Reps, Wholesale and Manufacturing, Except Technical and Scientific Products (39,500 jobs) Construction Laborers (29,100 jobs) Truck Drivers, Heavy and Tractor-Trailer (29,000 jobs) Dental Assistants (24,400 jobs)
Tile and Marble Setters (55.8% or 4,800 jobs) Plasterers and Stucco Masons (43.6% or 7,200 jobs) Heating, A/C, and Refrigeration Mechanics and Installers (39.3% or 4,600 jobs) Cement Masons and Concrete Finishers (39.1% or 9,300 jobs) Police and Sheriff's Patrol Officers (34.3% or 25,900 jobs)	Long-term on-the-job-training (12 months or more)	Carpenters (35,300 jobs) Police and Sheriff's Patrol Officers (25,900 jobs) Maintenance and Repair Workers, General (25,000 jobs) Cooks, Restaurant (21,200 jobs) Electricians (18,300 jobs)
Self-Enrichment Education Teachers (47.9% or 11,600 jobs) Vocational Education Teachers, Postsecondary (41.1% or 7,200 jobs) Detectives and Criminal Investigators (30.1% or 2,800 jobs) First-Line Supers/Mgrs of Construction Trades and Extraction Workers (26.2% or 12,300 jobs) First-Line Supervisors/Managers of Non-Retail Sales Workers (24.7% or 8,900 jobs)	Work experience in a related occupation	First-Line Supervisors/Managers of Retail Sales Workers (24,800 jobs) First-Line Supervisors/Managers of Food Preparation and Serving Workers (15,000 jobs) First-Line Supervisors/Managers of Construction Trades and Extraction Workers (12,300 jobs) Self-Enrichment Education Teachers (11,600 jobs) First-Line Supervisors/Managers of Office and Administrative (11,600 jobs)
Fitness Trainers and Aerobics Instructors (48.8% or 11,700 jobs) Surgical Technologists (36% or 3,100 jobs) Emergency Medical Technicians and Paramedics (32.1% or 4,400 jobs) Gaming Dealers (27.9% or 1,900 jobs) Security and Fire Alarm Systems Installers (27.5% or 1,400 jobs)	Postsecondary vocational training	Automotive Service Technicians and Mechanics (16,600 jobs) Licensed Practical and Licensed Vocational Nurses (12,600 jobs) Fitness Trainers and Aerobics Instructors (11,700 jobs) Welders, Cutters, Solderers, and Brazers (5,600 jobs) Bus and Truck Mechanics and Diesel Engine Specialists (4,600 jobs)

Comparison of Growing Occupations in California Base Year 2002 to Projected Year 2012

Fastest Growing* (Percentage Growth)	Education / Training Level	Largest Growing* (Adding the Most Jobs)
Dental Hygienists (57.8% or 9,600 jobs) Medical Records and Health information Technicians (41.3% or 6,200 jobs) Respiratory Therapists (39.4% or 3,700 jobs) Registered Nurses (28.2% or 56,800 jobs) Biological Technicians (27.6% or 1,600 jobs)	Associate degree	Registered Nurses (56,800 jobs) Computer Support Specialists (15,800 jobs) Dental Hygienists (9,600 jobs) Medical Records and Health Information Technicians (6,200 jobs) Paralegals and Legal Assistants (5,700 jobs)
Network Systems and Data Communications Analysts (55.7% or 11,300 jobs) Computer Software Engineers, Systems Software (43% or 22,400 jobs) Database Administrators (41.9% or 5,700 jobs) Occupational Therapists (41% or 2,500 jobs) Personal Financial Advisors (40.7% or 5,000 jobs)	Bachelor's degree	Elementary School Teachers, Except Special Education (31,300 jobs) Computer Software Engineers, Applications (29,800 jobs) Secondary School Teachers, Except Special and Vocational Education (25,200 jobs) Computer Software Engineers, Systems Software (22,400 jobs) Accountants and Auditors (21,600 jobs)
Computer and Information Systems Managers (35.3% or 12,700 jobs) Management Analysts (34.3% or 18,300 jobs) Sales Managers (34.1% or 14,000 jobs) Education Administrators, Postsecondary (29.2% or 1,900 jobs) Medical and Health Services Managers (28.1% or 4,800 jobs)	Bachelor's degree or higher plus work experience	General and Operations Managers (42,900 jobs) Management Analysts (18,300 jobs) Sales Managers (14,000 jobs) Computer and Information Systems Managers (12,700 jobs) Financial Managers (11,800 jobs)
Art, Drama, and Music Teachers, Postsecondary (44.3% or 2,700 jobs) Health Specialties Teachers, Postsecondary (43.1% or 2,200 jobs) Physical Therapists (42.9% or 4,800 jobs) Speech-Language Pathologists (29.7% or 1,900 jobs) Mental Health and Substance Abuse Social Workers (28.6% or 2,400 jobs)	Master's degree	Market Research Analysts (4,900 jobs) Physical Therapists (4,800 jobs) Clinical, Counseling, and School Psychologists (3,300 jobs) Educational, Vocational, and School Counselors (3,200 jobs) Art, Drama, and Music Teachers, Postsecondary (2,700 jobs)
English Language and Literature Teachers, Postsecondary (41.5% or 2,200 jobs) Medical Scientists, Except Epidemiologists (34.7% or 3,400 jobs)	Doctoral degree	Medical Scientists, Except Epidemiologists (3,400 jobs) English Language and Literature Teachers, Postsecondary (2,200 jobs)
Pharmacists (32.9% or 6,800 jobs) Lawyers (23.2% or 13,400 jobs) Family and General Practitioners (19.6% or 1,800 jobs) Dentists (19.2% or 2,000 jobs)	First professional degree	Lawyers (13,400 jobs) Pharmacists (6,800 jobs) Dentists (2,000 jobs) Family and General Practitioners (1,800 jobs)

* Excludes "All Other" categories and occupations with employment less than 5,000 in 2002.

Source: State of California, Employment Development Department
Labor Market Information Division, (916) 262-2162

TOP SKILLS REQUIRED IN CALIFORNIA INDUSTRIES

(Italicized skills are common across industries)

Attachment H

Automotive	Biotechnology	Construction	Financial	Geospatial	Health Care
<ul style="list-style-type: none"> • <i>Active listening</i> • Administration and management • <i>Critical thinking</i> • Customer and personal service • English language • Equipment selection • <i>Mathematics</i> • Mechanical • <i>Reading comprehension and</i> • <i>Speaking</i> 	<ul style="list-style-type: none"> • Active Learning • <i>Active listening</i> • Complex Problem Solving • <i>Critical thinking</i> • Equipment Selection • <i>Mathematics</i> • Monitoring • Operations Analysis • Programming • Quality Control Analysis • <i>Reading comprehension</i> • Science • <i>Speaking</i> • Troubleshooting and • Writing 	<ul style="list-style-type: none"> • Complex problem solving • <i>Critical thinking</i> • Equipment Selection • Installation • Judgment and decision making • <i>Mathematics</i> • Operation and Control • <i>Reading comprehension and</i> • Time mgt. 	<ul style="list-style-type: none"> • <i>Active listening</i> • <i>Critical thinking</i> • Decision-making abilities • Judgment • <i>Mathematics</i> • <i>Reading comprehension</i> • <i>Speaking and</i> • Writing 	<ul style="list-style-type: none"> • Active learning • <i>Active listening</i> • Complex problem solving • <i>Critical thinking</i> • <i>Mathematics</i> • Decision-making abilities • Judgment • <i>Reading comprehension and</i> • <i>Speaking</i> 	<ul style="list-style-type: none"> • Active learning • <i>Active listening</i> • Complex problem solving skills • <i>Critical thinking</i> • <i>Mathematics</i> • Decision-making abilities • Judgment • Reading comprehension and • <i>Speaking</i>

Source: Labor Market Information Division

Industry breakout from High Growth Training Initiative

Occupational Selection: California Projections of Employment 2002-12

Occupational Skills: Occupational Information Network (O*NET)

TOP SKILLS REQUIRED IN CALIFORNIA INDUSTRIES

(Italicized skills are common across industries)

Attachment H

Hospitality	Information Technology	Manufacturing	Retail	Transportation
<ul style="list-style-type: none"> • <i>Active listening</i> • Administration and management • Coordination • <i>Critical thinking</i> • Communication • Customer and personal service • English language • Instructing • Mathematics • <i>Reading comprehension</i> • Service orientation • Social perceptiveness • <i>Speaking</i> and • Time management 	<ul style="list-style-type: none"> • Ability to actively learn new information • <i>Active listening</i> • <i>Critical thinking</i> • Operations analysis skills • <i>Reading comprehension</i> and • Troubleshooting 	<ul style="list-style-type: none"> • <i>Active listening</i> • Coordination • Equipment maintenance • Operation and control • Operation monitoring • <i>Reading comprehension</i> and • Troubleshooting <p>Professional workers' add'l requirements</p> <ul style="list-style-type: none"> • Active learning • <i>Critical thinking</i> • <i>Mathematics</i> • <i>Speaking</i> and • Writing 	<ul style="list-style-type: none"> • <i>Active listening</i> • Instructing • <i>Mathematics</i> • <i>Reading comprehension</i> • Social perceptiveness and • <i>Speaking</i> 	<ul style="list-style-type: none"> • Complex problem solving • <i>Critical thinking</i> • Judgment and decision making • Management of personnel resources • Repairing • Time management and • Trouble shooting

Source: Labor Market Information Division

Industry breakout from High Growth Training Initiative

Occupational Selection: California Projections of Employment 2002-12

Occupational Skills: Occupational Information Network (O*NET)

Local Workforce Investment Areas	Business City
Alameda County	Hayward
Carson, Lomita, Torrance Consortium	Carson
City of Anaheim	Anaheim
City of Long Beach	Long Beach
City of Los Angeles	Los Angeles
City of Oakland	Oakland
City of Richmond	Richmond
City of San Bernardino	San Bernardino
City of San Jose/Silicon Valley Workforce Investment Area	San Jose
City of Santa Ana	Santa Ana
Contra Costa County	Concord
Foothill Consortium	Pasadena
Fresno County	Fresno
Golden Sierra	Auburn
Humboldt County	Eureka
Imperial County	El Centro
Kern, Inyo, and Mono Consortium	Bakersfield
Kings County	Hanford
Los Angeles County	Los Angeles
Madera County	Madera
Marin County	San Rafael
Mendocino County	Arcata
Merced County	Merced
Monterey County	Salinas
Mother Lode Consortium	Sonora
Napa County	Napa
NorTEC	Paradise
North Central Counties Consortium	Yuba City
NOVA	Sunnyvale
Orange County	Anaheim
Riverside County	Riverside
Sacramento County/City	Sacramento
San Benito County	Hollister
San Bernardino County	San Bernardino
San Diego County/City	San Diego
San Francisco County/City	San Francisco
San Joaquin County	Stockton
San Luis Obispo County	San Luis Obispo
San Mateo County	Belmont
Santa Barbara County	Santa Barbara
Santa Cruz County	Santa Cruz
SELACO	Cerritos
Solano County	Suisun
Sonoma County	Santa Rosa
South Bay Consortium	Hawthorne
Stanislaus County	Modesto
Tulare County	Visalia
Ventura County	Ventura
Verdugo Consortium	Glendale
Yolo County	Woodland

WORKFORCE INVESTMENT ACT PERFORMANCE

	PY 2002/03^{1/}		PY 2003/04^{2/}		PY 2004/05^{3/}		PY 2005/06^{4/}	PY 2006-07^{4/}
	Performance		Performance		Performance		Performance	
Performance Measure	Actual	Goal	Actual	Goal	Actual	Goal	Goal	Goal
<u>Adult Program</u>								
<i>Entered Employment</i>	73.2%	70%	72.1%	72%	71.1%	72%	73%	74%
<i>Retention</i>	80.8%	78%	82.7%	81%	82.2%	82%	82%	83%
<i>Wage Gain</i>	\$2,759	\$3,400	\$3,179	\$3,400	\$3,945	\$3,450	\$3,500	\$3,550
<i>Employment and Credential</i>	53.9%	50%	55.9%	50%	49.9%	55%	55%	55%
<u>Dislocated Workers</u>								
<i>Entered Employment</i>	82.8%	70%	80.1%	79%	78.7%	79.5%	80%	81%
<i>Retention</i>	87.9%	85%	88.3%	88%	87.3%	88%	88%	89%
<i>Wage Replacement/ Wage Gain</i>	84.0%	88%	81.4%	96%	80.0%	96%	-\$3,000	-\$3,000
<i>Employment and Credential</i>	65.4%	45%	66.8%	58%	63.0%	58%	59%	60%
<u>Older Youth</u>								
<i>Entered Employment</i>	70.9%	58%	71.5%	66%	73.4%	67%	68%	69%
<i>Retention</i>	80.4%	74%	78.3%	76.5%	77.0%	78%	78%	79%
<i>Wage Gain</i>	\$3,464	\$2,700	\$3,604	\$3,000	\$3,450	\$3,000	\$3,200	\$3,300
<i>Employment and Credential</i>	32.5%	30%	35.7%	30%	34.5%	30%	32%	33%
<u>Younger Youth</u>								
<i>Skill Attainment</i>	78.7%	75%	80.7%	76%	82.3%	76.5%	78%	79%
<i>Diploma or Equivalent</i>	64.1%	45%	61.5%	55%	65.6%	55.5%	60%	61%
<i>Retention (Education, Military or Employment)</i>	59.0%	45%	59.3%	53%	63.0%	53%	58%	59%
<u>Employer Customer</u>								
<i>Satisfaction (Index)</i>	73.2	66	67.9	75	66	75	75	75
<u>Job Seeker Customer</u>								
<i>Satisfaction (Index)</i>	76.1	68	74.6	75	75.1	75	75	75

^{1/}For Program Year (PY) 2002 the performance cohort for the entered employment, employment and credential, retention and wages is from October 1 of the previous program year to September 30 of the current program year. For example, for PY 2002, the client cohort being evaluated is October 1, 2001 through September 30, 2002. For the Skill Attainment measure the cohort is Younger Youth clients scheduled to reach their goals during the PY, July 1 through June 30. The Younger Youth Diploma and Equivalent rate is based on Younger Youth leaving the program during the PY.

^{2/}For PY 2003, the Department of Labor redefined the performance cohorts in order to accommodate earlier completion of the Annual Report. For this PY the cohort for the Entered Employment Rates and the Employment and Credential Rates is October 1, 2002 through September 30, 2003. The wage and retention measures are based on the clients leaving the programs between April 1, 2002 and March 31, 2003. The Skill Attainment Rate and the Diploma and Equivalent Rate evaluate the performance for clients leaving the Younger Youth Program between April 1, 2003 and March 31, 2004.

^{3/} These columns reflect data through the 2nd quarter of PY 2004.

^{4/} For PY2005-06 and PY2006-07, the Adult and Dislocated Worker Employment Retention measures have been redefined and the Dislocated Worker Wage Replacement Measure is now a six-month wage gain measure similar to the Adult Wage Gain measure.

